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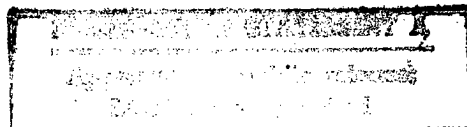
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# China Report

ECONOMIC AFFAIRS



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3 February 1985

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NATIONAL POLICY AND ISSUES

ECONOMIC REFORMS HELPING RAISE WOMEN'S STATUS

OW081648 Beijing XINHUA in English 1619 GMT 8 Dec 84

["Economic Reforms 'Promoting Sex Equality'"--XINHUA headline]

[Text] Beijing, 8 December (XINHUA)--China's economic reforms are helping women to free themselves from financial dependence on their husbands, participants at a symposium here agreed.

The responsibility system in the countryside is encouraging women to take part in productive labor, which is in turn boosting their social and economic status in the family, according to the symposium.

The 5-day discussion on marriage and family affairs, which ended here today, was attended by 220 participants, including philosophers, sociologists, economists and women workers from all over China.

Lujiang County, in Anhui Province, was given as an example of where the women's role had changed dramatically.

Of 300 households surveyed there, women earned half the total family income, and women in 90 percent of families managed household finances.

In the past, most women looked after the home and took little part in productive labor, and men had control of the purse-strings.

Now, women were taking an active part in farming, livestock breeding, handicrafts and other sideline occupations.

The symposium also noted that the current reforms and moves towards a more open lifestyle were encouraging women to become more fashion-conscious and to take part in more social activities.

China now has 200 million households according to the symposium which was arranged jointly by the marriage and family affairs research institute of the All-China Women's Federation, the Chinese Academy of Social Sciences Sociology Institute and the Chinese Law Society.

Participants also agreed that as the reforms developed, further studies on the role of women in the family, family lifestyles and people's attitudes towards marriage and family affairs were important.

PROVINCIAL AFFAIRS

LIANG BUTING'S SPEECH AT SHANDONG PROVINCIAL CPC COMMITTEE SESSION

SK111407 Jinan DAZHONG RIBAO in Chinese 29 Dec 84 p 2

["Excerpts" from speech by Liang Buting, member of the CPC Central Committee and governor of Shandong Province, at the Fourth Plenary Session of the Fourth Shandong Provincial CPC Committee: "Vigorously Attend to the System Reform and Strive To Vitalize Shandong's Economy"--date not given]

[Text] Fellow comrades: This plenary session is devoted mainly to further studying and implementing the "Decision" adopted by the 3d Plenary Session of the 12th CPC Central Committee and the guidelines of the important speeches made by some central leading comrades recently, to discussing and revising the province's trial plans for the 1985 economic structure reform, and studying and planning for the work for 1985. The situation in 1984 and the tasks for 1985 will be reported separately by Comrade Su Yiran. In line with the opinions of the provincial CPC committee and the provincial people's government, I will emphatically address several issues concerning the economic structure reform.

1. Comprehensive Reform of the Economic Structure Is an Objective Demand and Pressing Necessity in Vitalizing the Provincial Economy

Since the 3d Plenary Session of the 11th CPC Central Committee, our economic structure reform has scored great achievements, in the rural areas first. Outmoded economic systems have been eliminated; new economic systems have been established and are being improved; the agricultural structure has gradually become rational; output of major agricultural products has increased substantially; the development rate of town- and township-run enterprises has been accelerated; and agricultural production is moving toward specialization, large-scale commodity production, and modernization.

Such reform has also been explored and tested in urban areas. Enterprises' decisionmaking powers have been expanded; various kinds of economic responsibility systems and the system of factory directors (managers) designated to undertake responsibility have been implemented among enterprises on a trial basis, thus strengthening enterprises' democratic management; initial reform has been conducted in the circulation sphere, and the urban and rural markets have begun to flourish; new progress has been made in further opening Qingdao and Yantai cities to the world, and in building the economic and



technical development zone; the comprehensive reform of Jinan and Weifang cities and Changyi, Huangxian, and Lingxian Counties is in progress; and reform has also been carried out in the fields of planning, construction, supplies, pricing, finance and banking, labor and wages, science and technology, culture and education, public health, and sports. The initial urban reform and the economic readjustment conducted in the past few years have brought great changes to the urban economy. The proportion of various industries has been greatly improved, and heavy and light industries have developed in coordination. In the course of readjustment, industry has developed at a faster speed and with better economic results. Industrial output value and profits and taxes delivered to the state by industrial enterprises have increased simultaneously. New progress has been made in lateral cooperation among enterprises, and in reorganizing and integrating enterprises according to specialization. Through consolidation and technical transformation, the quality of enterprises has been improved somewhat. Reform has promoted the development of production and the prosperity of the economy, and the current economic situation as a whole has been better than anticipated. In terms of the total industrial and agricultural output value, the 1985 target set by the Sixth 5-Year Plan was prefulfilled by nearly 2 years, and the targets for national income and agricultural output set by the Sixth 5-Year Plan were fulfilled last year. This year, having conquered various natural disasters, the province has reaped bumper harvests in all crops. It is estimated that the total agricultural output value will reach 29 billion yuan, an 11 percent increase over the previous year; the total industrial output value will reach 45 billion yuan, an increase of 11 percent or more; and revenue will reach 5.33 billion yuan, a 7.7 percent increase. Petroleum output has increased substantially, and a heartening new situation has emerged in this regard.

Generally speaking, our province has made great achievements in the work in all fields, and the situation in all fields is good. This is the main trend. However, if we analyze the situation with the idea of one dividing into two, our current economic system still has many malpractices. Such malpractices still seriously exist as overlapping organizations, barriers between departments at different levels, no separations between government functions and business management, the exercising of overly rigid control over the enterprises, and equalitarianism in distribution. Our province's economic development still lags far behind as compared with the advanced fraternal provinces and municipalities. During the past few years, both our province's industrial growth speed and economic results were lower than the national average levels. We lagged even further behind the provinces and municipalities formerly ahead of us and the gap between our province and the provinces and regions formerly lagging behind us was shortened. We could say that with good conditions in terms of natural resources and good foundations in all fields, it was possible for our province's economy to have developed rapidly. Why was it developed at a slow speed? There were many reasons. The primary factors were as follows: Over a long period of time we failed to emancipate our minds, lacked the spirit of reform and creating new work, and failed to persist in our correct practices. In particular, we failed to effectively attend to the urban reform, so that the great potential of the urban enterprises was not fully tapped. We must conscientiously take warning from this.

With the rapid development of the rural economy, we should set high demands on the urban reform. Under the situation of substantial increases in agricultural and sideline products, but failure in processing and transformation work, with backward facilities, our province has surplus bad quality grain and cotton and peasants' difficulties in selling grain and cotton still seriously exist. Urban areas are urged to help rural areas vigorously develop town and township enterprises and to help these enterprises conduct cooperation; develop products; offer technology, talented persons, and information; and expand markets for selling agricultural products. With the rapid development of the rural economy, both urban and rural areas should open their "doors," be closely combined, share the work, cooperate with each other, and assist each other and make mutual progress. If we do not comprehensively conduct the urban reform, it will be impossible to rapidly develop the urban economy and it will be difficult to consolidate and continuously develop the achievements in rural reform.

In order to make our economy flourish and to prefulfill the doubling goal, we must accelerate the pace of the reform of the economic structure. In line with the guidelines of the 12th party congress and our province's actual condition, the provincial CPC committee set forth demands for "emancipating the mind, boldly conducting reform, prefulfilling the doubling goal, and making the people rich and Shandong prosper" and worked out a policy decision on constructing six big bases, including agricultural, energy resources, chemical industrial, building materials, consumer goods industrial, and foreign trade and tourism bases. However, in accelerating economic development and prefulfilling the doubling goal, we are confronted with many difficulties. Our economic development was restricted principally by such special factors as energy and capital shortages and lack of talented personnel. The only way to solve these problems is to accelerate the pace of reform, especially the urban reform, and to arouse the enthusiasm of the people on all fronts to tap the potentials of urban enterprises and in all fields.

Reviewing the ways to reform the economic structure that our province has taken, analyzing the situation of our economic development, and summing up our experiences and lessons, we may draw a conclusion, that is, only by conscientiously implementing the line, principles, and policies of the central authority, correcting the guiding ideology, eliminating old conventions, and continuously conducting reforms and ceaselessly exploring ways for reform can we promote economic development and create a new situation in the four modernizations. On the other hand, if we stick to old ways or are complacent and conservative, it will be impossible to make progress. Basically, with regard to the ideological work and reform, we still lag behind. We must conscientiously sum up our previous experiences and lessons, remain sober-minded under the excellent situation, deeply understand that the reform of the economic structure is an objective and urgent need for making our economy flourish, strengthen our sense of urgency and sense of responsibility and make efforts to conduct the reform of the economic structure in a faster and better manner.

## 2. Invigorating Enterprises Is the Key To Reforming the Economic Structure

The "Decision" explicitly points out that invigorating enterprises is the key to reforming the economic structure. Enterprises are the most basic cells of social economic activities. With vitalized cells, the entire economic organism will be filled with vitality. Over a long period of time, we have lumped together ownership by the entire people and direct administration by state organs over enterprises, and the state has exercised excessively rigid control over enterprises, thus reducing the vitality of enterprises, and hampering the development of the productive forces. This is the concentrated indicator of the various defects in our current economic system. During the past several reforms, we only readjusted the division of administrative jurisdiction. Sometimes we delegated powers to enterprises, but at other times we withdrew them. We have not touched on or solved the basic issues of delegating decisionmaking powers to enterprises and vitalizing enterprises. The current economic reform must focus on the vitalization of enterprises.

To vitalize enterprises, we must first delegate powers to enterprises. The key to vitalizing enterprises is to separate the government functions from enterprises' functions, to simplify the administrative procedures and delegate powers to lower levels, to delegate all due powers to enterprises, and to actually give powers to enterprises. After the State Council transmitted the "10 articles on expansion of powers," we have given some powers to enterprises. But these powers have not yet been actually practiced among enterprises, and enterprises now are still controlled too rigidly in terms of management. Therefore, in terms of power delegation, leaders at all levels should allow flexibility. In the economic structure reform, all provincial-level economic departments and all prefectures and cities should strictly observe the guidelines of the "Decision" and the State Council's "10 articles on expansion of powers," and delegate all due powers to enterprises. It is forbidden to retain part of these powers at each level, still less to delegate powers publicly and withdraw them privately. From now on, economic departments of governments at all levels will no longer directly manage enterprises. After an enterprise is put under a lower administrative level, the enterprise should register with the local department concerned, and pay taxes. The government of the city where an enterprise is located should not wantonly interfere with production and management of the enterprise, still less infringe upon the legitimate rights and interests of the enterprise. On the premise of submitting to the state plans, principles, policies, and guidance, an enterprise has the power to select flexible and diversified management methods, to arrange for its own production, supply, marketing activities, to own and use its private funds, to employ, select, and invite cadres within the limits of enterprise jurisdiction, and to decide on which employment, wage, and bonus systems should be adopted. Only by so doing will an enterprise actually become a relatively independent economic entity, become a socialist commodity producer and manager with autonomy in management and assume sole responsibility for profits or losses, have the ability to transform and develop itself, and become a corporation with certain powers and duties. In the course of reform, the provincial people's government and all economic departments

should review the regulations formulated in the preceding stage, and all those regulations that are incompatible with the guidelines of the "Decision" and harmful to the vitalization of enterprises should be resolutely abolished. From now on, all specific regulations concerning the economic structure reform formulated by the departments of the provincial people's government should be reported to the provincial people's government, and should not be put into effect without the approval of the provincial people's government.

The key to vitalizing enterprises lies in the mobilization of the enthusiasm of workers and staff members. An enterprise's vitality comes from the initiative of workers and staff members, and from the full utilization of their intelligence and wisdom. Many facts prove that only by integrating an enterprise's duties with power and profits, by respecting workers' status as masters of their own enterprises, and by guaranteeing workers' material benefits and democratic powers will it be possible to give full play to the enthusiasm, initiative, and creativeness of enterprises, workers, and staff members. At present, special attention should be paid to solving the issue of egalitarianism in distribution. This should be regarded as a breakthrough for vitalizing enterprises.

In order to arouse the enthusiasm of the enterprises and the staff members and workers, we must, first of all, further perfect various forms of the economic responsibility systems with emphasis on contracts and boldly expand the differences in the distribution of staff members and workers. During the past few years, many enterprises in our province made good investigations with regard to carrying out various forms of the contract responsibility system. The contents of contracts have been developed from the economic and technological targets to the overall work. The scope of contracts has been broadened from the producers to personnel in all fields and all departments.

This is of great importance in arousing the enthusiasm of the staff members and workers and raising the economic results of the enterprises. At present, our failure to perfect the economic responsibility system or to expand the differences in the distribution of the staff and workers is a prominent problem. The experiences of some advanced enterprises have not been generally popularized. On the premise of defining the state-assigned economic responsibility, all enterprises should set up various forms of the economic responsibility system by linking duties with rights and interests to assign the state-assigned economic targets to the individuals at different posts and to link the income of the staff and workers with the economic results of the enterprises. With regard to the income of the staff and workers, neither the practice of no difference between good and bad performance nor the practice of little difference between good and bad performances is feasible. We should really practice the principle of distribution according to work. Judging from the situation in all localities, enterprises should be permitted to adopt various methods in line with their own actual situations--adopting the piece-work wage system, the floating wage system, the system of promotion or demotion according to one's work, the system of giving wages appropriate to posts, and the system of giving subsidies

appropriate to particular jobs--so long as they do not harm consumers by practicing crooked ways, by infringing upon the interests of the state, and by arbitrarily raising the prices of products; so long as they do not raise the amount of the per unit cost of products; and so long as the total amounts of increases in wages and bonuses are lower than profits and taxes, so that the wages of staff and workers will not be limited.

With regard to enlivening the enterprises, we should gradually carry out the system of the factory head (manager) taking responsibility and correctly define the relations among factory heads (managers), the party committees of the enterprises, and the staff and workers' congresses. In the past, the party committees of the enterprises inappropriately seized powers. Although the enterprises carried out, in name, the system of the factory heads taking responsibility under the leadership of the party committees, in reality, the party committees grasped both major and minor matters. Therefore, the factory heads' functions of exercising the centralized instructions for production were exploited. No one would be called to account or punished when problems occurred. In order to suit the needs of modernized production, the enterprises should set strong and effective policy decisions and instructional systems. Under the new situation of enlivening the domestic economy and opening to the outside world, the enterprises must have rapid decisionmaking power in accordance with market information, and have a strong, flexible capability to meet rapid changes regarding market information and the new situation characterized by strong competitiveness of products. On the premise of fulfilling the state-assigned targets, factory heads (managers) of the enterprises should have decisionmaking powers and instructional powers regarding the factories' management and operations. Only in this way can the enterprises enliven their economy. The key in carrying out the system of factory heads (managers) taking responsibility is to reform the employment system. We should boldly employ talented personnel with the ability to do pioneering work and build good leading bodies for the enterprises. Only when we employ talented persons with enthusiasm for conducting the four modernizations, with the ability to conduct the reform, and with administrative and management ability can we ensure that the factory heads will correctly exercise the state-assigned powers to manage the enterprises well. Carrying out the system of factory heads (managers) taking responsibility is a great reform of the enterprises' leadership system. We should pay attention to handling relations in all fields within the enterprises and definitely divide duties and rights among factory heads, party committees, and the staff and workers' congresses. The party organizations of the enterprises should enthusiastically support factory heads to exercise the function of giving unified instructions to production and management, to ensure implementation of the principles and policies of the party and the state, to enhance the party's ideological and organizational construction, and to conduct well ideological and political work among the staff and workers. Except for small individually owned enterprises and enterprises with special conditions, a person generally cannot concurrently hold the posts of factory head and party committee secretary. Therefore, the factory head and party committee secretary will have enough time and vigorous energy to do their jobs well.

Consolidating companies is important to vitalizing enterprises. In the past few years, the province and various prefectures and cities have organized many companies of various kinds. Except for a few companies which have been organized in line with the demands of economic development, most of these enterprises have been transformed from former government function departments, and have been established according to administrative orders and measures. Many such companies have monopolized both the government and enterprise functions, asked for more powers from the higher levels, and withdrawn powers from the lower levels, thus seriously hampering the mobilization of enterprises' enthusiasm. Many localities and enterprises in particular, have strongly complained of this. Some comrades have said: "We have bought a new mother-in-law with money," but "the new mother-in-law is more terrible than the old one." These comrades have unanimously demanded the abolishment of those administrative companies. The provincial CPC committee and the provincial people's government have decided that from now on, no provincial company or company administering all enterprises of the same trade will be established. It is forbidden to establish administrative companies in a changed form. The existing companies should be investigated and consolidated. The principle for investigating and consolidating companies is to see whether they conform to the needs of economic and enterprise development; are conducive to promoting production and enterprises to join these companies on their own accord; are conducive to mobilizing enterprises' initiative; are conducive to developing lateral cooperation and to gradually rationalizing the organizational structure of enterprises; they can guarantee an enterprise's autonomy in production and management and can render good services to enterprises in the fields of information, technology, supply and marketing; and whether they have good economic results and can ensure that profits and taxes delivered to the state by enterprises and workers' income will increase year after year. In the course of investigating and consolidating companies, different measures should be adopted for different cases in line with the guidelines of the "Decision" and with the above-mentioned principles. Those necessary economic companies with steady product sources and buyers [shi ti xing gongsi] should be retained, but their internal management systems should be reformed and improved. Those companies which are completely administrative organs and have refused to undertake economic duties and to render service to enterprises should be resolutely abolished. To develop lateral cooperation among enterprises under the principles of voluntary participation and mutual benefit, it would be conducive to the specialized cooperations and technical progress to organize various kinds of associations. However, it is forbidden in establishing a company to engage in the so-called "six unities" and "nine unities." In the past, it was forbidden to replace enterprises with governments. In the future, replacing governments with enterprises will be banned. Those enterprises which were forced to incorporate into a company which had been established in line with administrative orders will be allowed to withdraw from the company freely. From now on, no company will be allowed to arbitrarily collect management fees. Enterprises should pay a fixed sum of "service charges" to the company in accordance with the services rendered in the fields of technology, supply and marketing, and information and consultational, and in line with the quality of service and the economic results. Enterprises can also refuse to pay fixed management fees.

To vitalize enterprises, we must attend to the reform of subsidiary fields and all sectors of the economic structure reform, including the planning and supply and pricing units, will certainly be affected. In the past, these units bound enterprises too rigidly. Because these units have contact with each other, it is difficult to carry out reform starting with a single field. Therefore, these units should make concerted efforts to carry out reform.

The past planning system exercised overcentralized and excessively rigid control over enterprises. The current planning system reform is aimed at narrowing the range of mandatory plans, expanding the ranges of guidance plans and market regulation, and strengthening comprehensive balance and the application of the economic lever. In terms of mapping out plans for production, investment in fixed assets, and circulation, more decisionmaking powers have been given to enterprises, thus helping mobilize their initiative. Regarding the planned management of investment in fixed assets, more powers have been given to various prefectures, cities, and pertinent departments to make examination and approval. Now, we must stress that delegating powers does not mean exercising no control. Investment in capital construction should be controlled within the state-specified amount. In arranging relatively big projects, various prefectures and cities should give consideration to the possible source of energy and raw materials and to the sales of products in order to avoid blind capital construction.

With regard to the distribution and management of materials, enterprises should be delegated the power to manage materials for production use to suit the needs of vitalizing enterprises. Supply departments should take charge of supplying the "three kinds of materials" for key capital construction projects. Supply departments should supply materials directly to the construction contract units. All prefectures and cities and all departments should cooperate closely to ensure a good supply of materials for construction use. We should also strengthen the distribution of materials in stock, reduce the circulation process, enliven the circulation of materials, and raise socioeconomic results.

The reform of the financial system should be conducive to arousing the enthusiasm of all localities to make and collect money and simultaneously ensure that they have sufficient financial resources to support the state key projects and poverty-stricken areas. With regard to the financial issue, departments at all levels should take into consideration both the interests of the state and of the localities. At present, financial departments at all levels do not have sufficient funds. It is necessary for all localities to retain more funds for vitalizing work in all fields. But, the province has to deal with some great matters concerning making the economy flourish. So the province must appropriately amass some funds. In order to ensure the construction of the state key projects and to meet essential expenses, all localities should ensure the fulfillment of revenue tasks. The localities should not proceed based on their own interests, but implement revenue work strictly in line with the relevant regulations of the state's two-step tax reform.

Reform of the price system is related to the whole situation as well as extremely sensitive matter. The reform of the price system plays a key role in the overall reform of the current economic structure. We must pay full attention to this work. In conducting price system reform, we must seriously implement the unified plan of the central authority. At present, we should pay attention to the fact that some departments and units have violated state rules and arbitrarily raised the prices of goods in order to increase the income of enterprises and to raise wages and bonuses. As for the problem of increases in cost caused by rising prices for raw materials, the enterprises should have the flexible ability to solve this problem themselves.

With regard to the reform of the government organizations, we must attend to the key work of separating government functions from business management and vitalizing enterprises. At present, serious problems exist of overlapping organs, excess bureaucracy, and significant overstaffing. The initiative of enterprises is hampered. This is not conducive to vitalizing enterprises. The provincial CPC committee and the provincial government have conscientiously studied reform of the organizational structure and hold that we should enthusiastically and steadily transfer power to the enterprises to vitalize themselves. We should repeatedly study ways to link our organizational structure with the economic foundation. We should correctly understand which organizations should be retained, which should be abolished, and which should be strengthened. At the same time, we should attend to the work of simplifying organizations, and party rectification work in 1985, and make good arrangements for this work in all fields. Leading comrades at all levels are urged to take the initiative in the work of delegating powers to the enterprises. Departments for economic management especially must conscientiously take the responsibility to systematically delegate powers to enterprises on their own initiative. The "Decision" of the central authority clearly defined the eight functions of government organs in economic management. From now on, the economic management tasks among governments at all levels will become heavier instead of lighter. Governments still have much work to do. In short, we should apply planned measures to strengthen macroeconomy management, apply economic measures in conducting flexible regulations, adopt measures for obtaining information for consultations and instructions, adopt administrative measures for coordination and arbitration and adopt legal measures for supervision and examination. Governments at all levels still have a long way to go to do this work well. With regard to leaders at all levels making policy decisions in macroeconomics, brain trust organizations helping leaders to work out decision policies, the establishment of economic management organizations, the quality of cadres, and the application of the modernized management measures--we are not competent to undertake such assigned tasks. Therefore, we must make up our minds to reform government organizations and vigorously improve the quality of the ranks of cadres.

Following the simplification of government procedures, delegation of power to lower levels, and vitalization of enterprises, many new situations will emerge in urban work. A new task for city governments is to correctly understand the economic functions of cities and better play the central



role of cities. After enterprises are put under the administration of cities, city governments should conscientiously separate the functions of governments from those of enterprises, exert great efforts to build urban public facilities and various infrastructure, and comprehensively improve environment. In line with the general requirements of the national economic development and local conditions, they should successfully map out medium- and long-term plans for economic and social development. They should give guidance to and promote enterprises' specialized cooperation, reorganization and incorporation, technical transformation, and modernization of operation and management. They should also give guidance to and promote the rational circulation of materials and commodities, greatly develop tertiary industry, successfully carry out scientific, technical, cultural, and educational undertakings, and other welfare undertakings; strengthen the building of the spiritual civilization; create good social conduct; and improve public security so that they can ensure the smooth progress of reform.

### 3. Reform Should Be Placed Above Everything Else Next Year and Should Be Carried Out Conscientiously

Next year is the first year in which we carry out the overall reform of the economic structure with the focus on the urban economy. Some related measures to the reform will be mapped out successively. As an important characteristic of the situation, the overall reform bears very arduous tasks. Leading persons at all levels should place restructuring of the economy above the three other major works for the next year, pay close attention to it, and carry it out successfully.

In order to successfully restructure the economy, we should intensify investigations and study, and earnestly improve leadership style and methods. The overall implementation and deepening of reform are bound to be attended by a great number of new situations and new problems. This requires us to plunge into the trend of reform and conduct more investigations and study. Beginning next year, responsible comrades of the provincial CPC committee and government and cadres at and above the section-chief level of economic departments should personally take up the reform of an enterprise, take the lead in it, and take part in its entire course. While carrying out party rectification, prefectural, city, and county leading comrades should also try to do the same so as to gain direct experience in guiding the healthy development of overall reform. As economic work is very complicated and specific, we should admit that we know very little about the many economic problems. Therefore, all of us are facing the arduous task of how to master economic management within a fairly short period of time. Today when we are getting rid of the old to make way for the new, our leading cadres should have both courage and insight. Where do the courage and insight come from? More importantly, they come from the thorough understanding of the CPC Central Committee's line, principles, and policies and thorough investigations of actual situations. The provincial CPC committee hopes that the regular practices of conducting investigations and study vigorously and of mastering economic management will be established in the whole province. We should not only clearly understand

our own situation but also study the advanced experiences of other provinces and the trends of the world's economic development.

The new situation also requires us to have new leadership style and methods. If leading organs do not correspondingly improve their work style and work methods and raise their work efficiency, they will have difficulty fulfilling the arduous and complicated task of leading the reform. With the economic work brought to an orbit centering on improvement of economic results, leading organs should also stress economic results and improve the quality and efficiency of their leadership work. We should thoroughly get rid of the old work style of holding discussions without reaching a decision, making decisions without putting them into effect, doing work sluggishly and neglecting work efficiency, firmly foster the idea of serving the grassroots levels, work and make things convenient for the grassroots levels, and act as "servants" of grassroots units and enterprises. Only when the work at the grassroots levels is carried out successfully can enterprises have vigor and our entire work have a solid foundation. A very important issue in our improvement of leadership style and methods is that we should change the method of relying purely on experiences in making policies, and should learn to make policies scientifically by relying on modern managerial knowledge and modern equipment (such as computers), and foster the new leadership concept of attaching importance to information and respecting talented people so as to improve the policy-making ability of leading organs. The provincial CPC committee is convinced that the great practice of the reform of the economic structure will certainly temper and train a great number of outstanding economic managerial personnel, and spur our organs to greatly improve their work quality and efficiency.

In reforming the economic structure, we should persist in implementing positive and reliable principles. The scope of urban reform is greater than that of rural reform and the work of urban reform is more complicated. We should display our revolutionary courage and spirit and unswervingly advance reform in a down-to-earth manner. On the one hand, we should boldly carry out reform. We should be determined to reform within the limits of our power one by one and little by little anything we think it should be reformed. We should not hesitate in doing things nor should we fear hardships and dangers. If the conditions are right, we should immediately reform any systems which, after reform, may bring advantages rather than disadvantages as we judge them from a macroeconomic point of view and which may vitalize the whole situation. Reform should not be delayed by departments' protracted discussions and different views because this may affect the whole situation. All localities may adopt some flexible methods in reform in line with their own situations provided these methods conform with the spirit of the "Decision," and are conducive to vitalizing enterprises and the economy. On the other hand, we should give guidance carefully, do meticulous work, and properly handle new problems cropping up in the course of reform. Whenever we discover a problem, we should study it in a timely manner and give correct guidance in order to avoid faults and reduce losses. In regard to reforms which involve the whole situation and the implementation of policies and about which we feel uncertain for the moment, we should first conduct experiments in selected units and train cadres. Then, we

should carry them out step by step after we have gained experience. Problems which need to be resolved by the central or the provincial authorities must be reported to the higher authorities in a timely manner after the situation has been correctly verified. In the course of reform, we should not practice formality or pressure comrades at the grassroots levels. Otherwise, they will rush headlong into mass action and bring losses because haste makes waste.

In order to vitalize the reform of the economic structure, we should continue to promote the party's fine tradition of plain living and hard struggle and resolutely check the unhealthy trends cropping up under the new situation. Recently, the CPC Central Committee and the State Council issued a decision on strictly forbidding party and government organs as well as party and government cadres to engage in commerce or enterprise operations. The Central Discipline Inspection Commission also issued a circular on resolutely checking the unhealthy trends cropping up under the new situation. Our CPC committees at all levels should conscientiously study and resolutely implement the central decision and circular. The problems and unhealthy trends pointed out by the central authorities also exist in our province to a varying degree. For instance, some office cadres engaged in commerce and business; some resold materials and commodities in short supply at a profit; some arbitrarily raised prices of commodities to disrupt markets and to harm the interests of the state and consumers; some practiced fraud, deceived their superiors, and deluded their subordinates by exaggerating their achievements; and some units violated financial and economic discipline. These phenomena often emerge in the province. We should never neglect these unhealthy trends which may harm the party's cause and obstruct the smooth advance of the economic structural reform and should have the courage to criticize and strictly handle them. We must clearly understand that we should not slacken our efforts in enforcing the party's discipline and the state law at any time. In the course of reform, the broad masses of party members and cadres must deeply conduct ideological and political education and adhere to the principle of giving guidance so that they can promote healthy trends and combat unhealthy ones; correctly handle the relationship between the individual and the collective, and between the part and the whole; comprehensively and correctly understand and implement the spirit of the "Decision"; and make positive contributions to reforming the economic structure.

Comrades, the "Decision" of the 3d Plenary Session of the 12th CPC Central Committee is a Chinese political economy which integrates the basic Marxist principles with the practice of Chinese socialist construction. It breaks with a series of "leftist" traditional old ideas and conventions formed over a long period of time, and puts forward many new viewpoints, enabling us to further emancipate our minds and to understand the new forward leap. On the premise that we adhere to the socialist system, reform the economic structure, eliminate rigid modes, and establish a lively socialist economic system, our socialist economy will become more prosperous and the advantages of socialism will be displayed to a further extent. We should continue to deeply study the "Decision," creatively implement it, advance the province's economic structural reform vigorously and steadily, and strive to create a new situation in the province's socialist modernization construction.

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PROVINCIAL AFFAIRS

ZHEJIANG GOVERNOR ON ECONOMIC WORK FOR 1985

OW150635 Hangzhou ZHEJIANG RIBAO in Chinese 30 Dec 84 p 1

[Text] Governor Xue Ju pointed out: The key to doing a good job in next year's economic work lies in our conscientious efforts to implement the CPC Central Committee's decision on reform of the economic structure, our boldness in practicing what we stand for and in conducting tests in accordance with the main task of the "two reforms and the two opens" put forward by the provincial party committee, and in our hard work to strive for new advances in the course of reform. The governor made these remarks after hearing a briefing on the recent provincial work conference on planning and development.

He said: The economic situation in 1984 is excellent, thanks to the concerted efforts of cadres and people in the province. Comrade Hu Yaobang said that we cannot get bogged down ideologically, and we must rely on all of us to carry out work. The high speed we attained this year in developing the economy was the result of our common effort in pressing forward through explorations and tests in the course of reform. It was also the result of our hard work to invigorate the enterprises and speed up technological transformation, and our boldness in selecting and bringing up qualified people.

He said: To put it briefly, the main task of economic work for the new year is the "two reforms and the two opens." The "two reforms" refer to the current economic structural reform and technological reform and the "two opens" refer to opening to the outside world and to other provinces and localities in the country while developing the province's marine, mountain, and intellectual resources. We should use the reform of the economic structure to spur technological reform and use the open policy to develop our resources in the province.

Comrade Xue Ju continued: In reforming the economic structure, we must take firm hold of the central link of invigorating the enterprises. Whether our economic growth next year will be as fast as this year and whether our revenue will continue to increase and our people's livelihood continue to improve next year depend on whether or not we can further invigorate the enterprises. We must enliven not only the village and township enterprises, the collectively owned and small state enterprises but also the big and

medium-sized enterprises owned by all people as well. Favorable conditions created through reform should be fully utilized by the enterprises to arouse the workers' enthusiasm for production, tap the enterprises' potentials, open up more productive undertakings, accelerate technological transformation, increase revenue for the state, and improve the workers' welfare while raising economic results. Various areas are required to carry out this task on a trial basis in a number of selected units and then continue it step by step. They should promptly simplify their administrative structures, designate greater decisionmaking powers to the grassroots units, and separate the functions and responsibilities of the government from those of the enterprises.

Technological transformation should be stepped up next year, Comrade Xue Ju said. The state has adopted a policy of preferential treatment toward this transformation by the enterprises, especially in reference to the transformation of the enterprises whose products are of top quality. Enterprises should use the greater decisionmaking powers designated them to step up the process of this transformation and development and to import advanced technology so as to constantly improve the quality of their products and upgrade them. As soon as the fundamental work is well performed and better economic results are obtained, they should be bold in using credit loans to import advanced technical equipment, and they should hire qualified managerial personnel to "arm" themselves.

Comrade Xue Ju said: The task of opening to the outside world had a good start this year, and initial success should be possible next year through hard work. To achieve initial success, it is necessary to open more channels of contact, attract foreign and domestic funds and technology, honor those project contracts that have already been signed, and put a number of joint venture projects into operation or production as soon as practical. The building of Ningbo into an industrial base and foreign trade port should be stepped up. Wenzhou should become a base for exploiting the resources of southern Zhejiang. Furthermore, energetic efforts are needed to develop tourism, commerce, services, and tourism-related industry in Hangzhou and to gradually establish an open-type tourism network with Hangzhou as its center. The open cities on the coast should consider the interests of the hinterland and the cities and counties in the interior should think of how to use the port cities to serve their interests. The opening of the three cities [Hangzhou, Ningbo, and Wenzhou] will bring about the opening of the whole province. We will open up even more to the fraternal provinces and municipalities and will closely cooperate with them. It is especially necessary to strengthen relations with the fraternal provinces and municipalities in the Shanghai Economic Zone and to promote economic and technological exchanges and cooperation with them.

He said: Our opening to the outside world and to all other localities of the country will certainly spur the exploitation of resources. We should give full play to the superiority of various areas, speed the construction of small hydroelectric power stations, develop the building material and nonferrous metallurgical industries, and exploit all available resources. While we are required to vigorously develop salt- and fresh-water breeding

undertakings and to promote the production of various local and specialized products, we shall also turn out new products.

Comrade Xue Ju said: The key to success in economic construction is to respect knowledge and competent people. We should exploit the intellectual resources to the full and promote a contingent of competent people who are knowledgeable, know how to manage economic affairs, and who are imbued with a creative spirit. Not only should the role of intellectuals be brought into full play, but competent hands should also be selected from among factories and rural areas to be trained in modern science and technology as well as in management. This is a good way to quickly solve the problem of the lack of competent and qualified personnel.

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PROVINCIAL AFFAIRS

SU YIRAN'S SPEECH AT SHANDONG PROVINCIAL CPC COMMITTEE SESSION

SK140518 Jinan DAZHONG RIBAO in Chinese 30 Dec 84 p 2

["Excerpts" from Su Yiran's speech at the Fourth Plenary Session of the Fourth Shandong Provincial CPC Committee: "Reform Persistently, Work Diligently, and Create a New Situation in the Four Modernizations"--date not given]

[Text] Comrades:

I will now emphasize the province's work this year, the characteristics of the developing situation, and the arrangements for next year's work.

I

Under the correct leadership of the CPC Central Committee, there have been four major characteristics in the development of Shandong's situation in 1984.

First, the focus of the economic reforms has shifted from rural areas to urban areas, and the economic responsibility system is being applied extensively with contracts as its major form, thus effectively arousing the initiative of enterprises, staff members, and workers. According to a survey of Jinan and Weifang, which tried out comprehensive reform, more than 90 percent of the enterprises at and above the county level have instituted the contract responsibility system. The content and scope of contracts have been gradually expanded from enterprises to the various levels of workshops, shifts, and individuals and from production posts to personnel of various specialties and departments. This is an important breakthrough in the reform of the managerial system of entire enterprises, and also a source of energy and vitality for enterprises. Although far from being perfect and needing further development in breadth and width, the economic responsibility system in urban areas--like that in rural areas--has effectively broken the "common big pot," embodied in its initial form the principle of more pay for more work, aroused the enthusiasm of the masses of staff and workers, and is tremendously promoting the development of the economy as a whole.

Second, party rectification has been launched comprehensively by stages and in groups, thus effectively promoting economic construction and other

undertakings. The provincial organs participating in the first-stage party rectification totaled 117 units, involving some 14,500 party members. Although the scope and number of party members involved were not large, the entire province has studied party rectification documents and implemented the guidelines for correcting mistakes before rectification. The party rectification work in our province has developed soundly, and the results have been remarkable. Speaking in terms of the larger scale, we have emphasized three links. First, we have earnestly studied party rectification documents, and unified thinking and understanding. The key is to solidify our confidence in achieving the 1-fold increase, focusing on the fulfillment of the fighting goals set forth at the 12th National CPC Congress and the provincial party congress; to correct the guiding ideology of professional work; and to maintain a high degree of unity with the CPC Central Committee politically. We have done fairly well in this aspect. Second, we have emphasized education in thoroughly negating the "Great Cultural Revolution," rooted out factionalism, and solved the problems left over from the past in a down-to-earth manner. The work of checking the "three types of persons" has also been conscientiously carried out. Practice has proven that by grasping education in thoroughly negating the "Great Cultural Revolution" we have grasped the "bull by the horns" in eliminating "leftist" influence, rooting out factionalism, unifying thinking, strengthening unity, and promoting the current work. This has been an important reason for the good trend of this year's work. Third, we have conscientiously investigated and handled the serious bureaucracy of being irresponsible to the party and the people, corrected the unhealthy trend of abusing power for selfish interest, and have achieved remarkable results. Party style, social conduct, and public security have been further improved.

Third, some of the work which remained dormant for a long period of time has regained vitality. The most significant is sports and physical culture. This year, we have earnestly followed the instructions of the central authorities on sports work. The provincial CPC committee and government have also held a forum on sports work, issued a "summary" of the forum, and explicitly put forward a call to "open up an initial prospect in 1 year, achieve good results in 4 years, and attain comprehensive development in 10 years" in the development of Shandong's sports. Through the work conducted after the forum, we can say that an initial prospect has been opened up. Mass sports activities have been carried out vigorously, and sports levels have been fairly greatly improved. This year marks the best results in the province's sports activities. From this, we have concluded that different efforts will yield greatly different results and that no matter what we do and no matter how great the difficulty, we will achieve good results as long as we exert great efforts to the end.

Fourth, provincial economic work in 1984 has been more brisk and economic results have been better than in the past. Along with the intensive development of rural reform, the gradual development of the urban reform, and the further opening to the outside world, new achievements have been scored in both industrial and agricultural production, which have developed at a faster speed, and with better economic results. It is estimated that provincial industrial and agricultural output value in 1984 will possibly



reach 74 billion yuan, an increase of more than 11 percent compared to the previous year; agricultural output value will surpass 29 billion yuan, an increase of 11 percent or more; the total income from diversified occupations will amount to about 21.5 billion yuan, an increase of 13 percent; the per capita net income of peasants will reach 410 yuan, an increase of 40 yuan; and the total industrial output value will reach 45 billion yuan, an increase of 11 percent. In 1984, relatively good progress has been made with regard to major economic targets. What merits our special attention is that the Shangli oilfield has set record highs in all major production targets in 1984. The drilling footage completed by the oilfield will reach 2.1 million meters, more than the total completed in 1982 and 1983; its oil output will surpass 23 million tons, 4.6 million tons more than the 1983 figure; and the newly added geological reserves will reach 1 billion tons, thus providing a reliable guarantee for becoming the second Daqing. The total provincial volume of retail sales in 1984 will reach 22.3 billion yuan, a 9.4 percent increase over the previous year; the sum of commodities for export and foreign trade will increase by 10.5 percent; and revenue will increase by 8 percent. Reviewing the province's economic work in 1984, there were four new changes, primarily: 1) The state, collectives, and individuals have cooperated with each other, and, in particular, the collective and individual economy has developed rapidly. This year, the growth rate of industrial output value created by collective enterprises in all cities of the province has surpassed that created by the state industrial enterprises. Various types of specialized households and villages, and various new economic associations are developing in the direction of large specialized households, forestry, animal husbandry, sideline occupations and fisheries, and large-scale comprehensive management. 2) The horizontal economic cooperation has expanded from fragmentary activity to actively spanning various counties and provinces. Judging from the forms, some economic associations are organized in line with the production units, with the first products as the "leader," and with each of the component units assuming sole responsibility for its profits or losses. Some economic associations are organized by some isolated enterprises of the same trade, without changing their original nature, affiliated relations, or financial system, and with each component enterprise conducting independent accounting and assuming sole responsibility for its profits or losses. Some economic associations are organized by single or multiple projects on a contract or joint venture basis, spanning various regions and trades. Some are the "connected-sequence" associations linking industrial with commercial enterprises, linking industrial with trade enterprises, or linking agricultural with industrial and trade enterprises. Judging from the content, some enterprises integrate with each other in production and technology (including cooperation in funds and competent personnel). Some enterprises integrate in management and operation. Some cooperate with each other in production, supply, marketing, and services. Some enterprises cooperate with those in other provinces and foreign countries. 3) An increasing number of enterprises have changed their simple production style to a style covering production, management, and development. 4) The monopoly management in the circulation sphere is being changed. The business and service scale of primary supply and marketing cooperatives has expanded remarkably. The supply of goods and materials has improved. All these new changes in the

economic work have given vitality to enterprises, raised their competitive force, and effectively raised the social economic results.

## II

Referring to the work for 1985, Comrade Hu Yaobang called for attending to our major tasks at a forum held by the CPC Central Committee. The major tasks for the CPC Central Committee are also the major tasks for the entire party, and, of course, for CPC committees at all levels in 1985.

First, the issue of the reform of the economic structure. In order to implement the decision of the 3d Plenary Session of the 12th CPC Central Committee and to achieve the reform, we must attach importance to thoroughly studying the guidelines of the "Decision," have a clear understanding about the main points of the decision, and correct our guiding ideology. The guiding ideology for the reform of the economic structure was set forth in the "Decision" and the speech of Comrade Deng Xiaoping at the third plenum of the Central Advisory Commission, as well as the important principles emphatically made by Comrade Hu Yaobang during his inspection tour in our province. The "Decision" clearly stipulated that the goal and basic task of the reform is to establish a vitalized socialist economic structure with Chinese characteristics. The essential content and basic demands of the reform is to correctly handle the relations between the state and the enterprises and between the enterprises and the staff and workers. The key to conducting the reform is to strengthen the vitality of the enterprises. We should conduct the reform in an enthusiastic and steady manner. Leading organs at all levels should remain sober-minded and carefully guide the reform work. Comrade Xiaoping stressed: Ten articles in the "Decision" are important. However, Article No 9 is the most important. That is, "respecting knowledge and talented people." Whether we conduct the reform successfully or not depends on whether or not we can find and promote talented people. Comrade Yaobang also urged us to study and implement the guidelines of the third plenum, persistently seek truth from facts, further emancipate the mind, and develop well the reform of the economic structure. The instructions and principles pointed out in the "Decision" and the central leading comrades are the general guiding ideology of our specific plan for reform and the essentials that we must grasp in the implementation of the reform. I hope that you will implement well the trial plan for the reform of the economic structure in 1985 in line with these guidelines.

Second, the issue of the "Seventh 5-Year Plan." In line with the guidelines of the relevant instructions given by the central authority and the State Council, and in the light of our province's stipulated goal for economic development and our actual conditions, we should specifically map out planned targets and policy measures. The following are tentative ideas: Focusing on prefulfilling the first doubling plan by 1 year and realizing an annual average increase rate of 8 percent, we should concentrate on the construction of six big bases, including the agricultural, energy resources, chemical industrial, building materials, consumer goods industrial, and foreign trade and tourist bases, make good preparations and lay a good foundation for the subsequent 10 years' work of comprehensively achieving development and "making

the people rich and Shandong flourish," and strive to prefulfill the second doubling plan. 1) With regard to the construction of agricultural bases, we should bring into play our advantages in cropping, animal husbandry, the forestry and fruit industries, and the aquatic products industry. With regard to cropping industry, we should concentrate on improving the quality of crops and increasing the per unit yields of crops. With regard to animal husbandry, we should concentrate on developing large specialized households and specialized villages and vigorously develop forage industry. With regard to the forestry and fruit industries, we should pay attention to turning mountainous cultivated lands to forests, popularizing the intercropping of fruits and grain, and trees and grain on plains, developing forest networks and fast-growing, high-yield forests, developing dry and fresh fruit products in line with actual conditions, and improving the quality of fruits. With regard to the aquatic product industry, we should make the most of shallow beaches and inland rivers and lakes, and enthusiastically develop various aquatic products. With regard to a diversified economy, we should simultaneously develop all trades. Counties, townships, villages and households should pay equal attention to the development of a diversified economy. We should focus on developing small town- and township-run enterprises, and encourage and support specialized households to run enterprises in urban areas. 2) With regard to the construction of energy resource bases, we should make full use of our advantages in such natural resources as oil and gas, and build a general energy resources base including energy derived from electricity water resources. We should place the stress of work on coal development and vigorously support the development of Shengli oilfield. 3) In the construction of the chemical industrial base, the major point is to accelerate the development of the petrochemical industry, the coal chemical industry, the salt chemical industry, and the fine chemical industry, in particular the petrochemical industry, and coal tar chemical industry. 4) In the development of the building industry and building materials base, we should extend our province's building industry and building materials base, we should extend our province's building industry to all of the country and to foreign countries, designate central and southern areas of the province as the key building material production places for developing cement, glass, building ceramics and various stone materials, in particular, in order to satisfy the demands of the province's key projects and buildings for civilian use. 5) In the construction of the consumer goods industrial base, we should focus on such products as foods, chemical fibers, plastics, and household electric appliances, achieve fairly great development in quality, variety, and patterns, and maintain an annual increase of more than 2 billion yuan in output value for some time to come. 6) In the construction of the foreign trade and tourist industrial base, with our exceptional advantages in harbors and in historical sites and scenic spots, and with the successive construction of Yanzhou-Shijiusuo and other railways, we should have fairly substantial increases in foreign trade and the tourist industry each year. In our future economic development, we should pay attention to both coastal areas and inland areas, and support the construction of old revolutionary base areas, mountainous areas, islands and other areas with weak economic foundations through construction projects, technology, and funds so that the eastern and western parts of our province can develop in a coordinated way, for the most part.

Third, the issue of party rectification. The provincial CPC committee has issued documents and made arrangements concerning this issue. The general guidelines are that we should have a good beginning and a good end in the first-stage party rectification, conscientiously do a good job in organizational measures and registration of party members, and finally examine and sum up the work successfully in order to consolidate and develop the achievements in party rectification in the fields of ideology, organization, and systems. During the second-stage party rectification, we should pay particular attention to four tasks. First, during the entire course of party rectification, we should study well, enhance understanding, correct the guiding ideology of professional work, and include the decision of the 3d Plenary Session of the 12th CPC Central Committee in the documents to be studied for party rectification. Second, we should investigate and deal with serious manifestations of bureaucracy and unhealthy trends while carrying out the economic reform, and persistently conduct party rectification and reform simultaneously. Third, we should continue the education in thoroughly negating the "Great Cultural Revolution," root out factionalism, promote unity, and step up checking the "three types of persons." Fourth, we should correctly treat party members and cadres, correctly solve the problems left over by the past, truly regard the "Great Cultural Revolution" as a product under given historical conditions, analyze our party members and cadres with an attitude of historical materialism, avoid metaphysics and "leftist" methods, and never leave any new aftermath.

Fourth, the issue of readjusting the leading bodies at various levels. In line with the guidelines of the instructions of the central authorities and the actual situations of our province, we should conduct necessary readjustments of the leading bodies at the prefectural and city, the department and bureau, and the county levels while carrying out party rectification. The major work for the present is to test, select, and train young cadres, build the third echelon successfully, and create favorable conditions for establishing a structure of high educational level and intelligence and low age in leading bodies. The province and all localities should formulate regulations for training cadres, define the orientation of the training according to specific conditions and personnel, and adopt corresponding training methods. One method is to select and send technical cadres with professional skills who have studied science and engineering at school to the party schools of the CPC Central Committee and the provincial CPC committee or schools of higher learning for further study, focusing on social science, in order to further enhance their understanding of political theories. Another is to let young cadres who have worked in leading organs for a long time assume actual posts in actual work, and give them work burdens so that they can be tempered and grow as quickly as possible. The other is to select some of the reserve cadres working at the grassroots levels to assume the work in certain fields so that they can gradually become familiar with and understand the general situation. As long as our party committees at various levels do a good job in training the third echelon, a great number of reserve cadres will be cultivated and our leading bodies at various levels will be built successfully.

### III

The general requirements of next year's economic work are to carry out reform emphatically and successfully, and to achieve new breakthroughs in speed and economic results. We should strive not to let the growth in agricultural and industrial output value and in revenue fall below, but rather to exceed, this year's actual level. We should achieve success in the following fields in order to achieve the breakthroughs:

First, leading cadres should greatly emancipate their minds. Comrades of the provincial CPC committee, the provincial government, and departments directly under the province should be the first to act resolutely according to the CPC Central Committee's "Decision," and set an example for those at lower levels with actual deeds in the reform. As to the principles and directions in which the mind should be emancipated, leading cadres should uphold the four basic principles, free themselves from the "leftist" and outdated rules and regulations, take the initiative in changing the ideology, the economic structure, the organizations, the work system and even the life style, and catch up with the new situation in which our country is greatly developing. We should compare ourselves against the eight questions concerning the emancipation of the mind that Comrade Yaobang talked about when he was in Qingdao, and determine whether we have emancipated our minds. As far as economic work is concerned, a very important point is to thoroughly break away from the traditional concepts of small-scale producers, and foster the idea of developing the commodity economy and the idea of daring to compete. Without the further emancipation of the minds of leading persons, a breakthrough in the economy will be out of the question.

Second, we should further invigorate enterprises. In this field, we should stress four tasks next year. The first is to simplify government procedures and delegate power to lower levels, separate the functions of governments from those of enterprises, and transfer all the power that should be transferred to enterprises so that they will have necessary decisionmaking power in operations. The second is to institute the various forms of responsibility system with contracts as its major form at enterprises, link the worker's income with the operation of enterprises and the contributions of individuals, widen the disparity in income, and eliminate egalitarianism. The third is to lead and organize well the multifaceted cooperation between enterprises, in particular that carried out according to the lines of products. The fourth is to technically transform enterprises. This is a strategic issue wherein lies the key to the investment for next year and during the "Seventh 5-Year Plan" period. The goal of the technical transformation is the technology already popularized in the world in the 1980's, and the method is to work out plans according to trades. We should also set some examples. We should both import from abroad and pay attention to and apply our own renovations and inventions, and both transform whole sets of equipment and carry out minor transformations by heeding the masses' suggestions to rationalize production.

Third, we should readjust the agricultural structure and pay attention to the transformation of grain. The general requirements are to further develop

the diversified economy and township enterprises, and combine the cropping, breeding, and processing industries together so that they can develop comprehensively. We should exert great efforts to develop processing of farm and sideline products, particularly animal feed and foods, and quickly change grain into meat, eggs, and milk.

Fourth, we should, by hook or crook, improve the service for the key construction projects. From 1985 to the period of the "Seventh 5-Year Plan," the state will arrange relatively more key projects in our province, and we ourselves will also develop some projects. These projects will play a decisive role in developing the provincial economy in the future and during the period of the "Seventh 5-Year Plan." If we achieve success in these projects, the prefulfillment of the quadrupling task will be guaranteed. We should also note that the development and completion of these projects will promote the economic development of various trades and localities. Therefore, various pertinent departments and localities should attend to serving the construction of key projects in order to ensure the smooth development of key projects.

Fifth, we should make great efforts to achieve success in two openings. With regard to the opening to the domestic areas, Qingdao and Yantai cities should attend to the implementation of agreements that have already been signed, attend to digesting the imported technologies and equipment, and prepare some new items for development in 1985. Inland areas should also actively conduct exchanges with other areas, and develop as many joint venture and cooperative items as possible. In opening to outside areas, we should not only open to foreign countries but also open to other provinces, regions, and counties. In opening to other domestic areas, still greater efforts and more flexible methods should be used.

Sixth, we should freely develop the urban and rural tertiary industry. Developing the tertiary industry has important and profound significance in improving the industrial structure, promoting industrial and agricultural production, affording convenience to the people's livelihood, giving jobs to workers, and making possible accumulation of social funds. Our country's tertiary industry is very backward; the people engaging in this industry account for only 15 percent of the total, and its output value comprises only 20 percent of the total output value. In this regard, Shandong's situation is roughly equal to the national average level, is lower than the level of advanced fraternal provinces and cities, and is really a very weak link. In 1985 and the years to come, tertiary industry efforts should focus on commerce, tourism, and various kinds of service trades, and on the services before, during, and after production. Special attention should be paid to developing the marketing trade, and the burgeoning information and advisory trades. In developing tertiary industry, we should score a success by providing new and quality services. Collectives and individuals in urban and rural areas should be encouraged to run the tertiary industry. After the economic structure reform, the surplus workers of state enterprises, job-seekers in urban areas, and surplus laborers in rural areas should be organized to develop tertiary industry. In the past, we lacked understanding and experience and did not do nearly enough in this regard.

Beginning from next year, the work in this regard should be greatly strengthened. Organizations at all levels should assign some persons to share out and assume responsibility for the work, and formulate plans and give specific guidance as early as possible.

Seventh, we should pay attention to the use of talented persons and the competent. At present, we should attach prime importance to using talented enterprisers with the ability to do pioneering work, specialized talented persons with creativeness and talented persons with ability in management. We should work out policies for giving excellent pay and conditions to talented persons. At the same time, we should take various ways and forms to cultivate talented persons in all fields and make good preparations for having sufficient talented persons for the future development of all undertakings. All localities, trades, and professions should continuously attend to rotational training and spare-time studies among the staff and workers at the posts, raise the technological level of the staff and workers and simultaneously make vigorous efforts to run secondary vocational schools to cultivate job-awaiting senior middle school graduates and rural specialized talented persons and to suit the urgent needs of the rural and urban economic development.

Eighth, we should collect and accumulate funds from all sources and stress the way of making and using money. The state and the localities in the province cannot afford the funds for our province's economic construction. We must rely on collecting funds from the enterprises, the collectives and the individuals, and make the most of bank loans. The financial departments should carry out their roles. The province and localities should attend to the work. The financial departments at all levels and banks should open up ways for collecting funds.

Ninth, all trades and professions and people in different levels must pay attention to the ideological and political work and strengthen the construction of the socialist spiritual civilization. In conducting reform, we must stress the principle of paying attention to the material benefits and carry out the system of letting the factory heads (managers) take the responsibility. The ideological and political work cannot be weakened but must be conducted in deep, solid and effective manners. We must educate cadres and the people to ardently love the party, the motherland and socialism. We should take initiatives in doing our work, have a sense of political responsibility, lofty ideals, moral integrity, education and a sense of discipline and conscientiously resist various malpractices. We should conscientiously implement the guidelines of the instructions of the CPC Central Committee, the State Council and the Central Discipline Inspection Commission, strictly forbid party and government cadres to engage in business and to run enterprises, and seriously investigate and handle new malpractices of only a few people seeking profits by buying low and reselling high and arbitrarily raising prices in the name of conducting reform. We should pay attention to both positive and negative typical cases to commend the advanced, to strictly handle various elements seriously in violation of the law and discipline and to strengthen the overall improvement of the social security. We should continuously study the pattern of

the ideological and political work under the new situation, conscientiously sum up experience, and improve the level of ideological and political work.

The year 1985 is the first year to comprehensively conduct the reform of the economic structure as well as the last year of the "Sixth 5-Year Plan." Pushing forward the work in 1985 is of great significance to further overfulfill the "Sixth 5-Year Plan," to realize our goal for prefulfilling the doubling target, and to comprehensively create a new situation in our work. The tasks in 1985 are very heavy and we have much work to do next year. We must firmly make the best use of our time, make an overall plan, carefully organize forces and instruct our work. We must pay special attention to the coordination between material distribution, communications and transportation, and supply and marketing channels so as to make the reform, production and party rectification work embark on the path of sound and steady development. So long as we make good arrangements for the work in 1985 at the beginning of next year, do our jobs well, independently solve the problems and pay attention to the coordination work, we will be able to do our work well, systematically and with initiative.

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PROVINCIAL AFFAIRS

ANHUI'S 1984 INDUSTRIAL, AGRICULTURAL PRODUCTION FIGURES CITED

OW110418 Hefei ANHUI RIBAO in Chinese 1 Jan 84 p 1

[Excerpts] Spurred by party rectification and economic restructure, Anhui's economy is developing vigorously. With natural disasters visiting upon our farmland and with a shortage of energy for industry, Anhui accomplished in 1984, 1 year ahead of time, the goal of "3, 4, 3"; that is, 32.3 billion yuan of total industrial output value, 42.7 billion jin of total grain output, and 350 yuan per capita income of the rural population.

Anhui's economic situation in 1984 was the best since 1979. We had an overall bumper agricultural harvest despite natural disasters for 2 consecutive years. Total grain output was 42,715 million jin, again an all-time high, and an increase of 3,285 million jin, or 8.33 percent, over that of 1983. The total agricultural output value surpassed 14 billion yuan, 10 percent more than in the previous year. Our village and township industries, a consistently weak sector, registered a growth rate which was among the nation's best. Their total output value doubled the figures of the previous year. The 1984 total industrial output value was over 18.3 billion yuan, an increase of 14.2 percent over 1983. Compared with 1983, provincial revenues increased 9.3 percent. The per capita income of the rural population is expected to reach 350 yuan. The planned target of the industrial output value for the "Sixth 5-Year Plan" was overfulfilled by 3 percent 1 year ahead of time and those of per capita income and revenues for the same period were also overfulfilled 1 year ahead of time.

Recently, central leaders Hu Yaobang, Zhao Ziyang, and Hu Qili were briefed separately about the economic condition in Anhui. The central leaders said: Anhui did not have the problem of remaining stagnant for 2 years. Its economic situation in 1984 was very good. In this year of major natural disasters, its growth rate surpassed the national average and it was a high rate. It has also been reported that your economic results also have been raised. Anhui is now asked to make full use of its own favorable conditions to engage in an economic race with fraternal provinces, and it should be running faster than others so as to strive to sextuple [fan liang fan ban 5064 0357 3972 0584] its annual total industrial and agricultural output value by the end of this century.

To quickly turn the province's resources into commodities, the Anhui Provincial CPC Committee and government made great efforts to reform the scientific and technological structure in the province and extensively expand its lateral economic ties. Throughout the province last year, 49 combined scientific research and production associations, 14 technological development centers, 15 technical consultation service centers, 33 technical exchange centers, and 26 intellectual resources development companies were established, thereby creating the channels to connect scientific research units and production departments. A total of 355 scientific research projects were completed, 237 of which were put to use last year. At the same time, Anhui established trade relations with over 90 countries and regions, signing 168 contracts for importing foreign capital and technology. To expand lateral economic relations with other provinces, municipalities, and autonomous regions, Anhui signed over 150 technical cooperation agreements and absorbed over 500 million yuan in capital.

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PROVINCIAL AFFAIRS

HEBEI PLANNING CONFERENCE SETS 1985 ECONOMIC TASKS

HK101013 Shijiazhuang HEBEI RIBAO in Chinese 29 Dec 84 p 1

[Report by Sun Weinan, Xu Yaoguang, Kong Fandou, and Jiao Guoxiang:  
"Provincial Planning Conference Calls on Cadres at All Levels To Continue To Emancipate Their Minds, Seek Truth From Facts, Carry Out All-Round Reform"]

[Text] The provincial planning conference that was held from 20 to 27 December fully acknowledged the achievements made in economic work by the province inspired by party rectification and the reform of the economic structure; summed up reform experience, and set forth the guiding ideology and major tasks in the economic field for the province in 1985.

This conference was convened by the provincial government under the leadership of the provincial CPC committee. The provincial government had made full preparations for the opening of this conference: A report forum on the reform of the economic structure was held prior to the planning conference; and the party group of the provincial government had studied over and over again all the problems to be solved at this planning conference. The standing committee of the provincial CPC committee had listened to a report by the party group of the provincial government and discussed several documents drafted by the provincial government. At the preparatory meeting, Comrade Zhang Shuguang delivered a speech on the problems to be solved at the planning conference. Comrades Zhang Shuguang, Li Feng, Guo Zhi, and Hong Yi got fully involved in this conference from the very beginning through to the end. During the conference, the principal provincial government leaders at all times kept themselves well-informed of the progress of the conference through lunch talks with the participants.

The spirit of the national planning conference was conveyed and the proposal on the 1985 provincial plan was disclosed at the provincial planning conference. The participants in the conference conscientiously discussed the guidelines and the proposal, reviewed those issues raised by the provincial planning conference held in December 1983, and examined the progress of the relevant work. They unanimously held that both the targets set and the measures taken by the previous year's conference had been proved correct in light of the practice during a whole year after the conference. The participants in the conference made an overall review of the implementation of the 1984 provincial economic plan, analyzed the current economic situation in

the province, discussed the economic tasks, the relevant guiding ideology, and the measures to be taken in 1985, and decided on which tasks were to be tackled first.

The general requirement for our province's economic work in 1985 is: To orient our work to the magnificent goal of "quadrupling production output and striving for well-off living standards," to further implement the slogan set forth by the provincial CPC committee--"brace up and revitalize Hebei," to continue to emancipate our minds, to seek truth from facts, to carry out a comprehensive reform, to make bigger strides forward, to uphold the guiding principle of "being bolder in enlivening the economy at home and opening the door to the outside world," and to make great efforts to raise the province's economic work to a higher level. The economic tasks for 1985 are as follows: To energetically, steadily, and properly carry out the reform of the economic structure and further enliven the economy; to readjust the industrial structure in rural areas, "simultaneously develop eight sectors," and vigorously develop the commodity economy; to keep the scale of fixed asset investment under control, and step up technological transformation; to uphold the open-door policy and vigorously promote economic and technological cooperation and the import of technology; to devote great efforts to promoting consumer goods production, speed up the development of tertiary industry, and take good care of the people's livelihood; to accelerate scientific and technological progress, speed up training of qualified personnel, and do a good job in building spiritual civilization; and to ensure that the national economy develops steadily and in a balanced way based on improved economic results, comprehensively fulfill all the tasks set forth by the "Sixth 5-Year Plan," and prepare the conditions for the implementation of the "Seventh 5-Year Plan." In light of the actual situation in the province, the conference decided that in taking up the economic work for 1985, we must first focus on the following aspects: 1) As a starting point to make a breakthrough, we should try to invigorate enterprises and speed up the comprehensive reform of the urban economic structure. To invigorate enterprises, we must delegate the "six kinds of power" directly to enterprises. 2) It is necessary to step up the technological transformation of old enterprises, focusing on the transformation of three major industrial branches, namely, the textile industry, the ceramics industry, and the pharmaceutical industry. It is necessary to take the grand development of the food industry, the feed industry, the building materials industry, and the mining industry as an important measure to fulfill the goal of quadrupling production output and revitalizing Hebei Province. And, moreover, it is necessary to make great efforts to promote the energy industry, communications services, light industry, and the household electric appliance industry. 3) We must start making a breakthrough by turning deficits into profits, so as to further improve our province's financial situation. 4) We must start making a breakthrough by developing enterprises in towns and townships, further adjust the industrial structure in rural areas, and energetically develop commodity production.

Based on a common understanding, the participants in the conference discussed the proposal on delegating the "six kinds of power" to enterprises and other documents.

The participants in the conference listened to a report presenting Shijiazhuang city's experience in carrying out the "dash-and-reflection type" [zhuang ji fan she shi 2326 2345 0646 1410 1709] comprehensive reform, with invigoration of enterprises as its key link, and a briefing by Comrade Xie Feng on his study tour in the provinces of Guangdong, Hunan, Fujian, and Jiangsu. Comrade Yang Zejiang relayed the spirit of the national conference on rural work. And the participants in the conference also visited several industrial and commercial enterprises in Shijiazhuang.

Comrade Zhang Shuguang addressed the conference on 27 December. His speech was composed of five parts: 1) A review and summary of 1984; 2) how we made the achievements; 3) the guiding ideology for our work and the major tasks for 1985; 4) from where are we going to start making breakthroughs in our work; and 5) improve our work style, attach importance to the art of leadership, and enhance our work efficiency.

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PROVINCIAL AFFAIRS

HUBEI RECORDED BREAKTHROUGHS IN 1984 ECONOMIC RESULTS

HK141250 Wuhan HUBEI RIBAO in Chinese 2 Jan 84 p 1

[Report by correspondent Mao Zhenhua [3029 2182 5478]: "Our Province Achieves Five Breakthroughs in Economic Construction"]

[Text] The year 1984 which has just ended was a year in which significant advances with breakthroughs have been made in the economic construction of our province, and the people of our province have entered the year 1985 with the significant achievement of five breakthroughs, which are:

--The total industrial and agricultural output value topped 50 billion yuan, amounting to more than 51.5 billion yuan, a 14 percent increase compared with the previous year and overfulfilling the quota of the Sixth 5-Year Plan. The growth rate surpassed the average annual growth of 10.6 percent from 1979 to 1983. This shows that the economy of our province has taken a historic step after being readjusted and reformed.

--The total grain output topped 40 billion jin and could possibly amount to more than 45 billion jin, a 13 percent increase compared with that of 1983. The situation in agriculture, where reforms were first introduced, is getting better and better year after year. The total agricultural output value increased by more than 14 percent compared with that of the previous year, surpassing the speed of industrial development. This is a fine situation rarely seen since the founding of the PRC.

--The average per capita grain availability of our province topped 900 jin, amounting to 930 jin, thus exceeding the national average level of more than 800 jin.

--The total cotton output of our province topped 10 million dan with the per unit area yield topping 120 jin, and the cotton quality was also greatly improved. This achievement is over 1 million dan of cotton more than the unprecedented record of 1974, and it was achieved despite a great reduction in the sown areas.

--The average net income per peasant topped 300 yuan, reaching 377 yuan, which is a 26 percent increase compared with the previous year (without

deducting the price factors). The absolute amount and the increase of the peasants' income both hit an all-time high.

The year 1984 was a year of reform, which saw rapid economic development and good economic results. During the year, we basically realized a synchronous increase of output value, profits, and revenue.

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PROVINCIAL AFFAIRS

HUBEI MEETING ON RURAL ENTERPRISES CONCLUDES

HK050357 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 3 Jan 85

[Excerpts] A provincial conference on township and small town enterprises concluded in Wuchang yesterday after 6 days in session. Important speeches were made at the meeting by Guan Guangfu, secretary of the provincial CPC committee; Huang Zhizhen, governor; Qian Yunlu, deputy secretary of the provincial CPC committee; and Tian Ying and Guo Zhenqian, vice governors.

The meeting held: In the past year Hubei has implemented the No 1 and No 4 central documents and the instructions of the provincial CPC committee on developing township and small town enterprises, thereby mobilizing the enthusiasm of the rural areas for developing commodity production and creating a new situation in developing these enterprises at many levels, with many components, and of many types. Total output value of these enterprises may reach 6.5 billion yuan, a rise of 2.5 billion yuan over 1983. There have been big increases in output value of domestic industry and combines, and many villages with output value exceeding 1 million yuan have appeared. The development of the township and small town enterprises has stimulated economic, social, and cultural development in the province. The status and role of these enterprises is being recognized more and more.

The participants held lively discussions on how to speed up the development of township and small town enterprises. Everyone held: Insufficient outlets and excessive restrictions are an important cause for the failure of these enterprises to develop rapidly. After hearing the cries from all around, the responsible comrades of the provincial CPC committee and government explicitly announced the abolition of all improper restrictions, and changing the old situation of collecting raw materials, processing, and selling products on the spot, truly gearing operations to the domestic and foreign markets, opening up more production outlets, and actively participating in market competition.

Governor Huang Zhizhen also announced to the participants: We should strive to have output value of these enterprises exceed 10 billion yuan this year. The provincial CPC committee and government will therefore adopt a series of measures and regard developing township and small town enterprises as a main orientation for endeavor in the province's economic work, to ensure the fulfillment of this goal.

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PROVINCIAL AFFAIRS

JIANGXI GOVERNOR SPEAKS ON ECONOMIC REFORM

OW081056 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 5 Jan 85

[Excerpts] In his speech at the mobilization meeting on economic reform held in Nanchang this morning, Zhao Zengyi, secretary of the Jiangxi Provincial CPC Committee and provincial governor, stressed that Nanchang city must play the role of a central city in the reform of the economic structure and the invigoration of the economy.

Comrade Zhao Zengyi said: The central leading comrades called for speeding up the economy during inspections in the province. As a capital of the province and an economic center, Nanchang city bears heavy responsibility in fulfilling the instructions of the central leading comrades. The provincial CPC committee and the provincial government would like to see Nanchang far surpass the provincial average in the speed of development. The key to accomplishing this task lies in reform. And the key to reform is to invigorate the enterprises.

(Li Aichun), secretary of the Nanchang city party committee; (Cheng Andong), deputy secretary and acting mayor, deputy secretary (Jiang Zhongping), as well as responsible comrades of the provincial and city departments, the various enterprises and the townships--a total of over 2,500 people--attended the mobilization meeting on economic reform.

The meeting called on the people of Nanchang city to intensively study the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure," earnestly implement the central leading cadres' instructions, and advance the economic restructuring through common efforts.

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PROVINCIAL AFFAIRS

GUANGXI CHAIRMAN ENUMERATES MAIN TASKS FOR 1985

HK101450 Nanning Guangxi Regional Service in Mandarin 1130 GMT 8 Jan 85

[Text] Yesterday morning the regional people's government held a plenary meeting, at which Wang Zhuguang, vice chairman of the regional people's government, relayed the spirit of the national conference on rural work and the national conference on financial work. Then Comrade Wei Chunshu, chairman of the regional people's government, made arrangements for tasks in 1985.

He said that the main task for this year is to make specific arrangements according to the spirit of the 3d Plenary Session of the 12th CPC Central Committee and the instructions of the Secretariat of the CPC Central Committee on Guangxi's work, and to firmly grasp it.

He said: We must further emancipate our minds and truly shift the focus of our work to economic construction. He stressed the necessity of firmly grasping the following eight tasks:

1. Maintain the good trend in industrial and agricultural production and strive to catch up with the national average level. The region made some progress in economic development in 1984. However, compared with the country as a whole, our development was very slow. We must do our utmost to make a breakthrough this year. The region's industrial output value is scheduled to increase by 8 percent or even 10 percent. The region's agricultural output value is scheduled to increase by 8 percent and must try to catch up with the national average level.
2. Actively and smoothly carry out the reform of the economic structure focusing on the urban economy. First, we must actively carry out price reform, wage reform, and the reform of monetary system under the unified arrangements of the central leadership and continue to carry out the reform of administrative organs. Second, in connection with the region's reality, we must firmly grasp rural price reform, the decentralization of administrative organs, and the separation of administration from enterprises in units directly under the regional authorities.
3. Readjust the rural economic structure and reform the system of monopolized purchase and assigned purchase of farm products by the state. It is necessary to give full play to the region's natural advantages, such as many

mountains, a mild climate, and abundant rainfall, to further readjust the internal structure of agriculture. First we must readjust the plantation industry and enliven the distribution of crops. It is necessary to increase the grain output of per unit area, upgrade the quality of grain, and increase the total grain output. We must develop economic crops in a planned way so as to raise economic efficiency. Second, we must readjust the structure of large-scale agriculture, vigorously develop forestry, animal husbandry, and fishery and change as quickly as possible the status of a low percentage of output value of forestry, animal husbandry, fishery. Third, we must readjust the rural economic structure as a whole and carry out the comprehensive operation of agriculture, industry, and commerce.

4. Properly adopt the open policy and actively use foreign funds.
5. Firmly grasp the formulation of the Seventh 5-Year Plan and priority items in capital construction.
6. Continue to firmly grasp the reform of education, science, and technology; attach importance to intellectual investment.
7. Spread the knowledge of the legal system among the people and firmly grasp the building of spiritual civilization.
8. Resolutely implement the policy on planned parenthood and do our best to control the population.

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PROVINCIAL AFFAIRS

GUIZHOU TEAMS INVESTIGATE SITUATION IN ECONOMIC REFORM

HK091014 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 8 Jan 85

[Text] Recently, the provincial CPC committee and the provincial people's government sent eight investigation teams to inspect and study the situation of economic reform and the development of commodity production in various localities.

Leading comrades of the provincial CPC committee and the provincial people's government, such as Wang Chaowen, Zhou Yansong and Luo Shangcai, also have taken part in the inspection work.

In 1984 the provincial government formulated a series of policies and regulations on structural reform in connection with the province's actual conditions in order to implement the State Council's policy on taking a relaxed attitude toward the decisionmaking power of industrial enterprises. It has reformed the urban commercial system and has accelerated the pace of decentralizing power to enterprises. It has also established experimental units for implementing the contracted wages system among enterprises, as well as for comprehensive rural and urban reforms. In addition, it has introduced the contract system to factory heads and managers of experimental units. The government has decided to import foreign capital and qualified personnel and technology, thereby opening to the outside, invigorating the provincial economy, and developing commodity production.

In order to grasp well the new situation, new problems, and new experiences following the implementation of these policies and regulations, the government has decided to work out feasible policies, as well as more effective methods and measures, and to further improve the relations with various parties to promote a greater development of the provincial economy.

Responsible comrades of the provincial CPC committee and the provincial people's government, such as Wang Chaowen, Zhou Yansong and Luo Shangcai, have led cadres of the departments concerned to inspect and study the situation in various rural and urban areas.

The investigation team led by Governor Wang Chaowen has gone to Guiyang city, Anshun Prefecture and 11 enterprises, including metallurgical, coal, machine-building, electronics, chemical industry and [words indistinct] ones.

There it has held various forums, listening to opinions and suggestions of the leadership at the grassroots level. It has therefore understood the problems in the course of economic structural reform, invigorating the economy and developing commodity production.

These eight investigation teams, which were organized by the provincial CPC committee and the provincial people's government, are led by the responsible comrades of the provincial departments concerned. They have gone to both the advanced and backward areas and departments and units to understand the situation and solicit opinions. After 20-odd days of inspection and study, they have grasped the new situation in such areas as readjusting and building the province's new rural industrial structure, developing commodity production, invigorating the circulation of commodities, promoting prosperous urban and rural markets, speeding up the pace of transformation of enterprises, and speeding up the pace of opening to the outside.

At present the provincial CPC committee and the provincial people's government are analyzing and compiling data of the situation so as to provide a scientific basis for formulating relevant policies.

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PROVINCIAL AFFAIRS

HENAN GOVERNOR REVIEWS WORK, SETS OUT 1985 TASKS

HK120225 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 11 Jan 85

[Excerpts] The provincial government convened its first plenary meeting of this year on 11 January, to review last year's work and study how to carry out work this year. Governor He Zhukang and Vice Governors Qin Kcai, Hu Tingji, Yan Jimin, Ji Hanxing, and (Hu Qiyun) attended the meeting. Vice Governor Qin Kcai presided. Governor He Zhukang made a speech.

He Zhukang said: Total value of industrial and agricultural output, financial revenue, and output of 20 major products have reached or surpassed the targets set by the Sixth 5-Year Plan. The political situation of stability and unity has been more and more consolidated, and economic construction has developed steadily.

He said: The year 1985 is the last year of the Sixth 5-Year Plan and is also the year of all-round unfolding of reform of the economic structure. Doing a good job in all government work is of very great importance for invigorating the province's economy. On the focal points in work for this year, Comrade He Zhukang stressed: The basic tasks in government work this year are to implement in depth the CPC Central Committee decision on reform of the economic structure, seriously do a good job in reform of the economic structure focused on the urban areas, promote party rectification, and strive for new victories in all work.

In light of this basic task, Comrade He Zhukang put forward the following 10 demands regarding the specific work of the government this year: 1) Vigorously develop socialist commodity economy. 2) Launch all-round reform of the economic structure, focused on the urban areas. 3) Seriously implement the spirit of the national rural work conference and further develop the rural economy. 4) Strive to promote technological transformation and develop new products. 5) Get a good grasp of key construction projects. 6) Vigorously spur the development of tertiary industry. 7) Formulate the Seventh 5-Year Plan and the strategic plan for economic and social development. 8) Speed up the pace of reform of the science, technology, and education structure, and promote still more rapid development of these undertakings. 9) Create a new situation in opening up to the world as quickly as possible. 10) Continue to promote reform of the circulation setup.

Comrade He Zhukang said in conclusion: It is impossible to correctly and effectively bring into play the functions of the government organs in managing economic and cultural construction without the guarantee of a good work style. He demanded: We must uphold the work style of seeking truth from facts and do our work in a creative way.

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PROVINCIAL AFFAIRS

JILIN STATISTICS ON 1984 PRODUCTION ACHIEVEMENTS

SK140545 Changchun Jilin Provincial Service in Mandarin 1030 GMT 12 Jan 85

[Text] In 1984, our province created an unprecedentedly good situation in the national economy. According to statistics recently compiled by the provincial statistical bureau, in 1984, the province scored peaks in the fields of industrial and agricultural total output value, national income, financial revenues, per peasant net income, grain and oil output, the output of the 24 major industrial products, the volume of highway goods transported, and the total volume of postal and telecommunications services, prefulfilling the 1985 target set forth by the Sixth 5-Year Plan.

In 1984, the province realized 27 billion yuan of industrial and agricultural total output value, a 13.4 percent increase over the figure set forth by the Sixth 5-Year Plan. It realized 13.8 billion yuan of national income, a 27.8 percent increase over the figure set forth by the Sixth 5-Year Plan. Its financial revenues reached 1.7 billion yuan, an 18.5 percent increase over the figure set forth by the Sixth 5-Year Plan, topping the previous peak.

In 1984, the province realized 32.35 billion jin of total grain output, a 47 percent increase over the figure set forth by the Sixth 5-Year Plan, topping the previous peak. The rate of marketable grains reached 52.5 percent, which continuously remains at the highest level in the country. The output of oil-bearing seeds reached 9.52 million dan, a 58.7 percent increase over the figure set forth by the Sixth 5-Year Plan, topping the previous peak. According to initial statistics, the per peasant net income reached 490 yuan, a 36.1 percent increase over the figure set forth by the Sixth 5-Year Plan, which continuously remains at the highest level among various provinces and autonomous regions throughout the country.

In 1984, our province made marked progress in industrial production. Its industrial total output value reached 18.7 billion yuan, a 13.3 percent increase over the 1983 figure, surpassing the annual production plan by 7.4 percent and the Sixth 5-Year Plan by 10.7 percent. Of the output of the 80 major products covered by the plan, the province fulfilled or overfulfilled the 1984 plan among the 58 products. It fulfilled or overfulfilled the target set forth by the Sixth 5-Year Plan among the 24 items, including TV sets, home washing machines, beer, crude oil, power output, ferroalloy, synthetic ammonia, agricultural fertilizer, timber, cement,



motor vehicles, and hand-supporting tractors. The province also surpassed the 1983 output figures among the 58 major products, of which, the output of the 10 products, including TV sets, home washing machines, hand-supporting tractors, woolen goods, and beer, surpassed the 1983 figure by more than 30 percent.

In 1984, the province realized more than 40 million tons of the volume of highway freight, a 20 percent increase over the 1983 figure, and a 63 percent increase over the Sixth 5-Year Plan. Its total volume of postal and communications services surpassed the 1983 figure by 10.9 percent, and the Sixth 5-Year Plan by 8.8 percent.

In 1984, our province further enlivened markets in both urban and rural areas and made rapid progress in developing foreign trade. Its 1984 retail sales of social commodities reached 9.57 billion yuan, a 17.7 percent increase over the 1983 figure, of which, the retail sales of consumer goods surpassed the 1983 figure by 17.1 percent; and of the means of agricultural production, by 22.2 percent. The total value of exported and imported commodities reached 650 million yuan, a 91.2 percent increase over the 1983 figure. Of the total value, the imported volume reached 190 million yuan, a more than 100 percent increase over the 1983 figure.

CSO: 4006/281

PROVINCIAL AFFAIRS

YUNNAN SPEEDS UP ENERGY, TRANSPORT DEVELOPMENT

OW170732 Beijing XINHUA in English 0645 GMT 17 Jan 85

[Text] Kunming, 17 January (XINHUA)--A large hydroelectric power station with a generating capacity of 1.5 million kilowatts is to be built in southwest China's Yunnan Province, according to local authorities.

This is part of the province's drive to speed up energy and transportation development which is essential to opening up the rich mineral resources in this less developed region.

The one-billion yuan project will be jointly invested by the province and the Ministry of Water Resources and Electric Power. To be built on the Lancang River in the western part of the province, it is designed to have a generating capacity of 1.5 million kilowatts, equal to the present total generating capacity of the whole province.

The province's total power generating capacity could reach four million kilowatts when this large power station and another power station now under construction are completed.

Yunnan abounds in tin, lead, zinc and copper and forest resources. But they remain undeveloped owing to poor communications and shortage of power.

The province's energy and transportation development program also includes a 200-kilometer railway from Guangtong on the Chengdu-kunming line to Dali City, the first railway to link Kunming, capital of Yunnan, to the western part of the province.

This will add a carrying capacity of five million tons a year from Yunnan to other parts of the country and help develop the natural resources in western Yunnan.

The provincial government has also planned to invest 50 million yuan in improving 5,000 kilometers of trunk roads and build 5,000 kilometers of new roads between 1985 and 1987.

At the same time, the province has launched a local air service company to provide more scheduled flights.

CSO: 4020/84

PROVINCIAL AFFAIRS

ZHEJIANG PROVINCE HAD HIGHEST 1983 GROWTH RATE

HK180635 Beijing CHINA DAILY in English 18 Jan 85 p 2

[By staff reporter Li Huahong]

[Text] Hangzhou-Zhejiang Province's industrial and agricultural output topped 49.8 billion yuan last year, an increase of 21.5 percent over 1983. The growth rate is the highest among China's 28 provinces, according to a provincial official and the State Statistical Bureau.

Huang Mengtao, a department deputy chief of the provincial planning commission, told CHINA DAILY that the increase was much greater than expected.

According to latest statistics, he said, the total industrial output last year was 33.23 billion yuan, a 24 percent increase over 1983, and the agricultural output was 16.54 billion yuan, a 16.9 percent increase.

Huang said that up to last November industrial output reached 29.73 billion yuan, 45 days ahead of schedule for the year's target. There was a remarkable increase in consumer products such as bikes, TV sets, washing machines, refrigerators, woollen goods and beer.

State-run industrial enterprises registered a 51 percent decrease of deficits.

The official said the province's agricultural reaped a record harvest last year. Grain output was up to 17.7 billion kilograms, 10 percent more than that of 1983. Cotton topped 121 million kilograms, 30 percent more than that of the previous year. Silk cocoon output was about 69 million kilograms, an all-time high.

Huang attributed the achievement to the economic reforms now in full swing throughout the land.

In the last 2 years the provincial authorities had promoted a batch of able and young personnel to leading cadre positions and they played an important role in boosting the economic development, the official said.

The province also encouraged and supported the collectively-run and rural enterprises, whose output increased by 4.2 billion yuan, 65.6 percent of the province's increased output of 6.4 billion yuan. Besides 3,400 state-run enterprises, the province's 110,000 enterprises are all collectively-run and rural ones.

The official said that a continued quick growth may be expected this year.

He noted that the province still has great potential for production. It is going to fully tap the potential, he added.

CSO: 4020/85

## PROVINCIAL AFFAIRS

### BRIEFS

**YUNNAN ECONOMY IN 1984**--According to the provincial statistical bureau, the province achieved gratifying results in developing the economy in 1984. The province's industrial and agricultural output value for 1984 is estimated at 18.01 billion yuan, representing an increase of 13.5 percent as compared with the previous year and fulfilling 1.5 years in advance the target for the last year of the Sixth 5-Year Plan. [Summary] [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 30 Dec 84 HK]

**HUNAN INDUSTRY, AGRICULTURE**--In 1984, output of 10 main products, including grain, sugarcane, aquatic products, sugar made by machinery, and paper made by machinery, and the gross industrial and agricultural output value of Hunan Province recorded the highest levels in history. The province's gross industrial and agricultural output value exceeded 500 million yuan, an increase of 15 percent over 1983. [Summary] [Changsha Hunan Provincial Service in Mandarin 0000 GMT 8 Jan 85 HK]

**GANSU HELPS POOR COUNTIES**--The Gansu government has decided that beginning this winter peasants will be mobilized and organized to vigorously build county and township roads and medium-sized and small water conservation projects in 41 poor counties. The central department in charge has recently appropriated to Gansu materials, amounting to some 193 million yuan, to help the poor. In order to spend these materials well, the provincial CPC committee and the provincial government have decided to adopt the method of using these materials as wages paid for work done instead of relief funds, to help production teams which lack grain and clothes and counties and townships which are very hard to get to. Apart from the funds subsidized by the state, some departments at the provincial level have raised some funds and a large amount of rolled steel, timber, and cement in preparation for building 37 county and township roads, whose total length will be 467 kilometers; rebuilding 87 roads, whose total length is 1,100 kilometers; building 86 new bridges; and building 7,400 water conservation projects of various kinds, which will be able to increase irrigated areas by 37,000 mu, to improve 55,000 mu of irrigated areas, and to solve the problems concerning drinking water for 180,000 people and 70,000 head of livestock. [Summary] [Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 8 Jan 84 HK]

NINGXIA ECONOMIC INFORMATION FAIR--Yinchuan, 9 Jan (XINHUA)--More than 500 economic contracts, agreements, and letters of intent with a total transaction value exceeding 10 million yuan were signed at the first Ningxia economic and technical information fair, which ended in Yinchuan on 8 January. This was another information exchange meeting held in China after the Qinghuangdao economic and technical information fair was held in October 1984. More than 600 representatives from 15 provinces, municipalities, and autonomous regions including Beijing, Tianjin, Jiangsu, Liaoning, and Nei Monggol attended the 3-day "information exchange meeting on the frontier." The participation of specialized households and individual economy households added more color to this information exchange meeting. Aside from the fact that 4,700 scientific and technological, economic, and commodity information items attracted general attention at the meeting, it is particularly noticeable that all 300 information items on talented people were sold out, with 97 agreements on the exchange of talented people signed in the 3 days. Many representatives pointed out that the most valuable thing at the present time is talented people, and talented people will bring about efficiency and money. [By Zhao Chuanming] [Text] [Beijing XINHUA Domestic Service in Chinese 1458 GMT 9 Jan 85 OW]

SICHUAN TOWNSHIP, TOWN ENTERPRISES--According to preliminary statistics, the gross output value of the township and town enterprises at the township and village level throughout Sichuan Province in 1984 was 6.91 billion yuan, an increase of 36.2 percent over 1983. Their total income was 5.29 billion yuan, recording an increase of 26.8 percent. The amount of profits earned by all township and town enterprises throughout the province by the end of November 1984 was 280 million yuan, 14.6 percent more than in 1983. The amount of industrial and commercial taxes paid was 180 million yuan, an increase of 28.4 percent. The amount of income tax paid in advance was 30 million yuan, an increase of 47.5 percent. Output of raw coal, cement, tea, bricks, tiles, and all kinds of wine was much more than in 1983. [Summary] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 9 Jan 85 HK]

HUNAN PILOT PROJECTS EXPANSION--The province's 2,000 state industrial enterprises will expand the scale of their pilot projects and, in the first half of this year, will introduce the responsibility system for factory heads. This proposal was put forward at the provincial meeting on the pilot project of reforming the leading structure of enterprises, which concluded yesterday. The meeting summed up the experience of the project as a whole. It held that in order to implement the responsibility system for factory heads, we must first uphold the mass line and select factory heads in connection with the four transformations of cadres. Second, CPC committees of the enterprises must not intervene in production or operations so as to really establish the authority of factory heads. Furthermore, the enterprises must implement the system of selecting workers' representatives, as well as other democratic administrative systems, so that they can give play to the role of trade unions and that of workers' representatives when the unions and representatives exercise the rights in the course of formulating the enterprises' major decisions, [words indistinct] leadership by the masses, and protecting the workers' legitimate rights. [Text] [Changsha Hunan Provincial Service in Mandarin 0000 GMT 14 Jan 85 HK]

ECONOMIC MANAGEMENT

CHINA DAILY RELATES EXPERIENCE OF FACTORY REFORMER

HK110431 Beijing CHINA DAILY in English 1 Jan 85 p 6

["From CHINA YOUTH NEWS"]

[Text] When there are winners, there are losers. Wang Chunming is a respectable loser in China's economic reform.

The 27-year-old had contracted to increase production at the Wuhan Scissors Factory. But after 25 days, he was forced to give up in face of insurmountable odds against him.

The factory, with more than 500 employees, had been anything but outstanding in its more than 20-year history. It never made much money but it always managed to take in just enough to pay the workers. In its best year, the factory boasted an annual profit of 1,000 yuan.

When economic reform became fashionable in 1980's, some young workers grew discontent with the factory's poor performance. Wang was among them.

As secretary to the director, Wang noticed that the factory was turning out 100,000 scissors a year, half its capacity.

In 1982, he devised a plan for improvement and went to the director to propose a thorough reform of the factory.

His proposal was turned down. The director said such change would just cause trouble. Soon rumours were spread that Wang was ambitious. It was said he wanted to replace the director.

Wang didn't despair; he went to the company that owned the factory and volunteered his plan to increase production and increase the workers salaries. The company gave him lukewarm support.

The workers representative conference, however finally approved Wang's plan, and he took over the factory last 6 June.

Some workers, especially the veterans who had been used to the slow pace of work and the "peace" they had enjoyed, were skeptical of Wang's reforms.

"Are you sure you can fulfill what you have promised?" Wang was often asked.

The former director and deputy directors, who were ordered to make way for Wang and his supporters, were against the reform and regarded Wang as a usurper.

Workshop leaders who were appointed by the former heads refused to listen to Wang, fearing that once he was in full power they might lose their positions.

Wang was supposed to be in charge but he had to share power with the former heads, who maintained some of their authority because the company did not fully trust Wang. Some went so far as to sell raw materials the factory needed for production just to undermine Wang's reforms.

To make matters worse, some of Wang's followers discerned that the reform was waning in support and abandoned him, leaving Wang to fight alone.

But Wang was determined. He turned a deaf ear to the complaints and slanders. He implemented the responsibility system--which linked workers' pay to their output--to stimulate enthusiasm.

His efforts were bearing fruit. By the end of June, the factory had made a profit of 3,000 yuan. Though below Wang's expectations, it was more profit than the factory had ever made in a whole year. And many workers, especially the young, more efficient ones, were making twice as much as before.

As a result, Wang won the support of the young who mostly benefited from the reforms. But those who suffered under the new system complained all the louder.

In early July, the company decided to deprive Wang of his power. No reason was given but everyone suspected that company officials viewed him as too ambitious. It was announced that a new director would be elected by the workers representative conference.

When the conference was held, it became clear that Wang had no chance. The chairman hinted to the representatives that in choosing a new director, the length of his service at the factory should be taken into consideration.

As a result, Wang lost out to a former deputy director, who had no programme for managing the factory but had worked there for 20 years.

Wang was a loser in the election. But he was a winner at least in attempting reform at the factory and in gaining the support of the young workers who make up 70 percent of the factory's employees.

CSO: 4020/84



# ECONOMIC MANAGEMENT

## BRIEFS

GANSU URBAN REFORM 'LIAISON POINT'--In order to promote and speed up reform of the urban economic structure, the principal responsible comrades of the provincial CPC committee have set up their own reform liaison points. On the afternoon of 9 January, provincial CPC committee secretary Li Ziqi visited his liaison point, the Lanzhou Woolen Textile Company, to do work on the spot. He heard a report on the work of the company and put forward demands on reforms and developments of the woolen textile industry. Li Ziqi said: Woolen textiles are a traditional Gansu product and are also a leading product of the province. With the continual improvement in the people's living standards, this is now the golden age for this industry. We must seize this chance to boost the industry, and ensure that the province's woolen textiles can permanently enjoy an invincible position in the international and domestic markets. On doubling production, Comrade Li Ziqi said: We must attach importance to improving technical standards, speed up technical transformation, and focus on tapping potentials in and improving old enterprises. [Excerpts] [Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 10 Jan 85 HK]

SICHUAN SIGNS PROJECT AGREEMENTS--A provincial economic and technical cooperation investigation group headed by Jiang Minkuan, deputy secretary of the provincial CPC committee and vice governor, visited Jiangsu and Shanghai in December and signed agreements there for some cooperation projects. To maintain stable cooperation relations, the two provinces and one municipality will hold an annual meeting to hold consultations on the contents of cooperation measures, and revise and supplement them, so as to spur mutual economic development and technological progress. [Text] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 11 Jan 85 HK]

XIZANG'S SPIRIT OF REFORM STRESSED--Regional CPC Committee First Secretary Yin Fatang said when addressing the workers' congress of the regional machinery repair and assembly plant on 12 January: In the new situation of reform of the economic structure focused on the cities, Xizang must apply the spirit of reform, forging ahead, and pioneering, brace its will, work hard, score new breakthroughs in all sectors, and strive for still greater victories in reform this year. In recent years the cadres and workers of this plant have worked hard at reform and overcome various difficulties. They have scored outstanding success in all work since 1982, for which they have been commended by the regional CPC committee and government. Comrade

Yin Fatang stressed: To make Xizang rich as rapidly as possible and bring the living standards up to a comfortably well-off level, we must work particularly hard at reforms. Reform is not only focused on the superstructure, the production relations, and so on; we must also make new breakthroughs in technology and equipment in carrying out reforms of the economic structure and the enterprises. There must be concerted development. [Excerpts]  
[Lhasa Xizang Regional Service in Mandarin 0500 GMT 14 Jan 85 HK]

FUNDS FOR MINORITY AREA--Yinchuan, 18 January (XINHUA)--The Chinese Government recently assigned grain, cotton and cloth worth 50 million yuan to aid people working on road construction and farmland improvement projects in Xihaigu, a poverty-stricken area in the Ningxia Hui autonomous region in the northwest. This is one of the moves to develop mountainous Xihaigu in the region, regarded as one of the poorest areas in China. Current rural economic policies have changed the backward situation here in which people could not earn enough to rise above the poverty level. Both rural enterprises and sideline production are booming. Lack of highways has hampered the area's development. So the regional government has decided to use two-thirds of the funds to build roads and bridges linking the county with townships and the rest for farmland improvement. [Text] [Beijing XINHUA in English 0832 GMT 18 Jan 85 OW]

CSO: 4020/84

## FINANCE AND BANKING

### STABILIZATION OF PRICES DEEMED URGENT

Beijing JINGJIXUE ZHOUBAO [ECONOMICS WEEKLY] in Chinese No 40, 1 Oct 84 p 5

[Article by Ji Baocheng [4764 1405 2052]: "Purchase Prices Paid by the State for Subsidiary Agricultural Products Should Soon Be Stabilized"]

[Text] The level of purchase prices for subsidiary agricultural products has risen sharply during the last 5 years.

Since 1979, the government has on a number of occasions increased the purchase prices for subsidiary agricultural products according to plan. At the same time, it has allowed the law of values to exert its regulatory effect on prices so that the general level of purchase prices for subsidiary agricultural products has continued to climb and an end has been put to the low prices paid for such products over a long period of time. Taking the purchase price of subsidiary agricultural products in 1978 as 100, the general index was 122.1 in 1979, 138.5 in 1981 and 147.8 in 1983. On the basis of the total number of subsidiary agricultural products purchased from the rural communes and brigades alone, the increase in the income of the peasants in the past 5 years totaled 125 billion yuan, or roughly over 30 percent of the increase in the cumulative total net income of the peasants throughout the nation for the same period. In other words, 70 percent of the increase in the net income of the peasants in our nation during those years may be attributed to economic development in the rural areas while 30 percent may be attributed to price increases for subsidiary agricultural products. Actual facts have shown that the sharp increase in the purchase prices of subsidiary agricultural products has had and will continue to have a major effect on the continued increase in the production of subsidiary agricultural products, on promoting the rural economy and on invigorating the market in the cities and rural areas.

The increase in the purchase price for subsidiary agricultural products has brought to light certain problems that call for attention.

First, with the development of agricultural production, the increase in the general level of purchase prices paid by the state seems to indicate of a trend for prices "to increase automatically." With the enforcement of measures formulated by the state to set fixed base prices for major subsidiary agricultural products and to make purchases above the quota at increased prices,

there has emerged not only a discrepancy in the number of benefits accruing to the new and the old production areas but also, with the development of production and an increase in the number of commodities, an increasingly wider range in the ratio of purchases above the quota at increased prices so that prices for subsidiary agricultural products paid by the state have increased "automatically" year after year. According to relevant materials, among the increasing number of subsidiary agricultural products purchased over the years by the domestic and foreign trade, industrial and other departments, the ratio of subsidiary agricultural products purchased at prices listed by the state has dropped from 89.7 percent in 1978 to 53.2 percent in 1983 while the ratio of purchases above the quota and at increased prices has climbed from 8.4 percent to 31.6 percent. If purchases were to continue to be made at base prices, we can be certain that with the continual increase in the output of agricultural products and commercial commodities, purchase prices will continue "to climb automatically."

Second, with the continual development of agricultural production, the government budget for subsidizing subsidiary agricultural products will continue to increase. As a result of the disparity in the purchase and sale prices of certain major subsidiary agricultural products, the continual increase in the number of subsidiary agricultural products purchased by the state and the "automatic increase" in the level of purchase prices mentioned above, the amount of the subsidy paid by the state for the purchase of subsidiary agricultural products will increase year after year. The sharp increase in the production of major subsidiary agricultural products during the past few years was beyond all expectations so that it was also impossible to foresee the sharp increase in the amount of the subsidies paid by the state. In 1983, the amount of the subsidies paid by the state to cover the disparity between the purchase and sale prices and for losses (not including subsidies for imports) for grain, cotton, oil, meat, vegetables, eggs, poultry and fish showed an increase of 405.3 percent over the year 1978, an amount equivalent to 19.7 percent of the revenues of the state for the same year. These subsidies have therefore become a heavy drain on the revenues of the state. At a time when the state is suffering a budgetary deficit, the continued development of the trend cannot be but a source of grave concern.

The unit of labor put into the production of subsidiary agricultural products has shown a decline.

There has been a change in the amount of the unit value of subsidiary agricultural products. Prior to the 3d Plenum of the 11th CPC Central Committee, the general trend over a long period of time was for the unit value to climb. In recent years, however, there has been a decline in the general trend. In other words, there has been a reduction in the unit of labor put into the production of subsidiary agricultural products. In 1978, the cost for each 100 yuan in net agricultural income was 54.2 yuan. By 1982, the cost had dropped to 36.6 yuan. A further drop was registered in 1983. That is one of the major achievements in economic development in recent years.

The basic reason for the decline in the input of labor may be attributed to the enforcement of the agricultural joint production and contract responsibility system. The overall development of agriculture, forestry, animal husbandry, sideline products and fishery and the launching of comprehensive agricultural, industrial and commercial operations have greatly increased the rate of agricultural labor productivity. In the 26 years between 1953 and 1978, the rate of agricultural labor productivity in our country registered an average annual increase of only 0.1 percent while the average annual increase in the 3 years between 1978 and 1981 came to 3.5 percent. A further average annual increase of 7.9 percent has been registered in the last 2 years. Worthy of particular note is the fact that there has been a reduction in the amount of live labor put into subsidiary agricultural production. That is due not only to the continual increase in the production of major subsidiary agricultural products but also to the diversion of a large amount of labor from agricultural production to nonagricultural enterprises. By 1983, the number of agricultural workers who had switched to the enterprises in the villages and towns or individual industrial and commercial production and operations had reached some 38 million, or over one-ninth of the total labor force in the rural areas. With the continual development of comprehensive agricultural, industrial and commercial operations, the number of those in the labor force who "leave the land but not their native place" or who "leave the land and their native place" to engage in other pursuits will continue to climb.

It is necessary to stabilize the general price level for subsidiary agricultural products purchased by the state.

In view of the emergence in recent years of new situations and problems mentioned above, it is my opinion that an effort should be made to stabilize the general price level for subsidiary agricultural products purchased by the state so that the prices will not continue to go up in the near future. That is imperative if the financial resources of the state are not to be overtaxed and if the legitimate interests of the consumers are to be protected. In view of the range of fluctuation in the value of subsidiary agricultural products, it stands to reason that their general price level should be stabilized.

To achieve this objective, it is imperative that an end be put to the "automatic increase" in purchase prices paid by the state with the increase in agricultural production. The first step that should be taken is to adopt step by step the purchase price or the list price for subsidiary agricultural products and an assortment of goods purchased according to plan by the state and to put an end to the practice of making purchases above the quota and at higher prices. At the same time, list prices that are obviously too low should be raised to a reasonable extent. The second step to take is to continue to maintain the list prices and for the state to pay increased prices for purchases above the quota for the few major subsidiary agricultural products such as grain, cotton and oil purchased by the state according to plan. However, "the method of setting prices according to a ratio," a method that has already been adopted for the purchase of oil products. The ratio between purchases made according to the list price and purchases made above the quota at higher prices should be set for different products.

With that in mind, the purchase prices (including list prices and higher prices for purchases above the quota) paid by the state should be increased or decreased on the basis of market demands for different products in different production years. The capacity of the market (that is, the number of sales of commodities within a given period of time and at a given price level) is a factor of major importance. When there is a "surplus" of a certain commodity, that is, when certain commodities exceed the capacity of the market to sell, prices should be lowered to a proper extent. Conversely, when certain commodities fail to meet the demand of the market, prices should be raised. It serves no purpose to talk about the surplus or shortage of commodities without reference to the capacity of the market. It does not conform to the objective demands of the law of values to insist that prices for subsidiary agricultural products should only go up and not down and it conflicts with the demand for the reform of the market mechanism.

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CSO: 4006/62

FINANCE AND BANKING

AVOIDANCE OF PRICE DROPS URGED

Beijing JINGJIXUE ZHOUBAO [ECONOMICS WEEKLY] in Chinese No 40, 1 Oct 84 p 5

[Article by Li Weihua [2621 1218 5478], Henan People's Provincial Government: "Purchase Cotton and Grain Properly and Avoid Mistake Resulting in 'Double Reduction' in Rape Plants"]

[Text] Henan has again registered bumper harvests of grain and cotton this year. The proper purchasing of grain and cotton so as to ease the difficulty on the part of the peasants in selling such commodities is a matter of utmost importance. Unless the problem is properly solved, we are likely to see a repetition of the "double reduction" in rape plants, that is, a reduction in the acreage planted with rape and a reduction in the amount of production. This is a lesson which should be taken to heart.

How did the "double reduction" in rape plants come about? Following the 3d Plenum of the 11th CPC Central Committee, the party readjusted its rural economic policy and promoted the production of rapeseed. The purchase price of rapeseed oil was increased by 50 percent or an additional 1.8 yuan per jin over the basic price. As a result of the enforcement of this policy and the enthusiasm on the part of the peasants to increase production, the acreage planted with rape and the amount of production showed an increase year after year. By 1982, the acreage planted with rape throughout the province had increased to 3.09 million mu, or 1.48 times the acreage in 1978, and the amount of production came to 504.17 million jin, or 2.74 times the amount for 1978. The sharp increase in the production of rapeseed came as a big surprise. It has also created some new problems, such as the difficulty of selling the product, making use of the product, storing the product and shipping the product to other areas.

With undue haste, the decision was made at the time to purchase only the amount stipulated in the plan. As a result, over 100 million jin of rapeseed oil out of the total production of 500 million in the province was left unsold. In order to control the amount of rapeseed oil to be purchased, "coupons for selling oil" were issued to the peasants. Oil could be sold only with the presentation of the coupons. In view of the "difficulty of selling oil," the peasants were reduced to seeking favors from those in influential positions and "getting in by the back-door" in attempting to

sell their oil supply. It was this situation which led to the "double reduction" in rapeseed in 1983. In that year, the acreage planted to rapeseed was reduced by 35.4 percent or 1.36 million mu compared to 1982 and the amount of production was reduced by 20 percent or 96.60 million jin compared to the previous year. The amount purchased by the state for the year came to only 41.1 percent of the amount according to the purchasing plan so that there was a shortage of oil throughout the province. In 1983, there was a shortfall of 50 million jin of oil in the province so that 35 million jin had to be taken out of the supply held in stock. In 1984, the "double reduction" situation in rapeseed became even more acute. The acreage was further reduced by 19.2 percent and the amount of production by 35 percent compared to the previous year. By the end of August, only 43 percent of the assigned purchasing amount of 112.2 million jin had been fulfilled. The factors contributing to the increasing shortage of supply are as follows:

First, the inability on the part of the peasants to convert the rapeseed kept in storage into salable commodities has dampened their enthusiasm to engage in production. According to available information from Shangqin Prefecture, over 10 million jin kept in storage by the peasants out of 40 million jin produced by rapeseed growers in 1982 could not be disposed of. In addition, the spoilage and damage caused by mildew further added to the peasants' losses. Second, in the absence of an overall macroscopic point of view, the relative surplus of rapeseed was mistakenly regarded as an absolute surplus. This gave rise to an outcry against the overproduction of rapeseed and for a reduction of acreage to reduce the amount of production. Third, proper emergency measures had not been adopted to deal with the sharp increase in rapeseed production and too much was made, with an undue emphasis on the shortage of storage facilities and the difficulty of selling the product. In actual fact, it is possible to increase greatly the sales volume in the market by increasing the amount of medium-price oil and oil used for industrial purposes. According to statistics, the sale of medium-price oil alone comes to over 80 million jin, or one-fourth of the total amount of rapeseed oil production.

The bumper harvest in grain and cotton in our province this year is likely to create many new difficulties in the work of purchasing. There have been instances in various areas where those concerned have refused to make purchases, where things have been made difficult for the sellers and where rapeseed oil has been downgraded to force down its price. There are those who, by refusing to take the risk of using open-air warehouses and to let the people assume the responsibility of storage for the state, have hampered the work of purchasing. For this reason, we must benefit from the lesson afforded by the "double reduction" in rapeseed and seek to increase the production and purchasing of grain and cotton.

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CSO: 4006/62



INDUSTRY

GUIZHOU SCORES 'REMARKABLE ACHIEVEMENTS' IN INDUSTRIAL OUTPUT

HK101426 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 9 Jan 85

[Text] On the basis of large increases for 2 successive years, the province's industrial production achieved larger growth in 1984 than in 1983. The total industrial output value of the province increased by 17.3 percent in 1984 as compared with 1983, an increase rate higher than the national average increase rate. The quotas in the Sixth 5-Year Plan were overfulfilled 1 year ahead of schedule. Among the quotas, the profits achieved by local state-run industrial enterprises increased by 57.9 percent, and synchronous growth has been achieved by them in the output value, profits and taxes, and financial income.

One prominent feature in the province's industrial production in 1984 was that the growth rate of the output value of collective-run industrial enterprises was higher than that of state-run industrial enterprises; the growth rate of the output value of prefecture-run and county-run industrial enterprises was higher than that of province-run industrial enterprises; and the growth rate of the output value of light industry was higher than that of heavy industry. There has also been rapid development in the production of the means for living and production.

The reason why the province has made such remarkable achievements in industrial production lies mainly in the fact that the provincial CPC committee, the provincial people's government, and leaders at all levels have unified their thinking through party rectification, strengthened their leadership over industrial production, implemented the policy of the State Council on giving more decisionmaking power to state-run industrial enterprises, formulated a series of policies and regulations on reform of the economic structure in accordance with the province's reality, quickened the pace for transferring enterprises to lower levels, carried out a pilot project on wage reform and the system of the factory manager responsibility system in some enterprises, brought in foreign funds, advanced technology, and talented people, adopted measures for opening up to the outside world and enlivening the domestic economy, further improved various economic responsibility systems, fully aroused the enthusiasm of the vast number of cadres and masses in industrial enterprises, and promoted the development of production.

CSO: 4006/281

## INDUSTRY

### HENAN GOVERNOR HE ZHUKANG ON DEVELOPING FOOD INDUSTRY

HK110701 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 9 Jan 85

[Excerpts] The provincial conference on food industry ended on 8 January. In his summation report, provincial Governor He Zhukang raised specific demands on how to rapidly develop the province's food industry.

In his report He Zhukang pointed out that the province has abundant resources of raw materials to develop the food industry. The development of the food industry must be closely linked with the development of the rural commodity economy and support each other.

He said: There are a number of large and medium-size enterprises of food industry in our province. We must firmly and properly grasp the reform of the management system, decentralize administrative organs and delegate powers, and expand the scope of the powers of the enterprises, so that they can become relatively independent and vital socialist producers and operators of commodities and to further bring into play their dominant role. At the same time, we must emancipate our minds, vigorously develop collective and individual businesses, support peasants in running factories and shops in urban areas.

On strengthening leadership over food industry, Comrade He Zhukang emphatically pointed out that we have for long practiced the management system according to different departments and areas in food industry. This management system severs the internal relations in food industry, and seriously hampers the development of the food industry. We must resolutely reform this system and exercise trade leadership. The main task of the trade leadership is to formulate plans, policies, and requirements of the trade, to make overall and coordinated arrangements for exploiting new technology and products, to promote combination, to do a good job in bringing in technology and providing information and consultation services, and to supervise food hygiene and inspection so as to make rapid development in the province's food industry in the new year.

CSO: 4006/281

INDUSTRY

QINGHAI OVERFULFILLED INDUSTRIAL PRODUCTION IN 1984

HK101430 Xining Qinghai Provincial Service in Mandarin 1100 GMT 9 Jan 85

[Text] The gross industrial output value of our province last year totaled 1,612 million yuan, of which the industrial output value included in the provincial plan was 1,585 million yuan. Our province overfulfilled the original quota for the gross industrial output value by 7.9 percent and fulfilled the quota stipulated by the state's Sixth 5-Year Plan 1 year ahead of schedule.

According to statistics compiled by the provincial statistical bureau, last year 24 of the 30 industrial departments throughout the province and all autonomous prefectures, prefectures, and cities overfulfilled their quotas for the year. The province overfulfilled the annual quotas for the production of 42 of the 70 main products included in the provincial plan. Output of 16 products, including cement, motor vehicles, hand-held tractors, loudspeakers, woolen goods, clay used in industry, and crude salt increased relatively greatly.

Last year industrial enterprises throughout the province also achieved certain results in reducing deficits and increasing surpluses. By the end of November, the number of enterprises incurring losses had dropped from 26 percent in the same period the preceding year to 20 percent, and the amount of deficits had been reduced by 10.59 million yuan, 40.9 percent less than in the preceding year. A large number of enterprises incurring losses for a long time stopped incurring losses.

CSO: 4006/281

INDUSTRY

LIAONING OVERFULFILLS INDUSTRIAL OUTPUT VALUE PLAN

SK110411 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 10 Jan 85

[Text] According to statistics released recently by the relevant provincial departments, our province had achieved 57.58 billion yuan of industrial output value in 1984, an increase of 11.6 percent over 1983, the greatest increase ever achieved since the 3d Plenary Session of the 11th CPC Central Committee, thus attaining the Sixth 5-Year Plan level 1 year ahead of schedule.

In 1984, heavy industry, whose output value accounted for 65.1 percent of the total provincial industrial output value, saw a fairly great increase in the production of machinery and mining equipment, super high-tension power transmission equipment, and agriculture-oriented products. Of this, the output of steel vessels for civilian use, motor vehicles, internal-combustion engines, and hand-guided tractors showed increases ranging from 48 percent to 80 percent. The provincial light industry developed along the quality, artistic, and new directions. The output of household refrigerators, washing machines, and television sets increased respectively over 30 percent.

Another prominent change in the province's industrial production in 1984 was that collective industrial enterprises developed by leaps and bounds. The total output value of the provincial collective industrial enterprises increased 20.7 percent over 1983. The rate of development of collective industrial enterprises in cities and towns was a record. Their total industrial output value increased 22.5 percent.

CSO: 4006/281

INDUSTRY

CHINA'S INDUSTRY GROWS 13.6 PERCENT IN 1984

OW141151 Beijing XINHUA in English 1031 GMT 14 Jan 85

[Text] Beijing, 14 January (XINHUA)--China's 1984 industrial output shot up to a record 700 billion yuan, 13.6 percent up on the figure for 1983, the State Statistical Bureau announced here today.

Of this, light industry registered a 13.4-percent rise, and heavy industry, 13.8 percent. The bureau termed this a balanced growth.

Coal production went up 8 percent to 770 million tons, crude oil, also 8 percent, to 114.5 million tons, and electricity, 6.6 percent, to 374.5 billion kWh.

China produced over 43 million tons of steel, 8.4 percent more than in 1983, while 7.2 and 9.7 percent increases were registered for pig iron and rolled steel, respectively.

The country's railways handled 1.2 billion tons of freight and 1.1 billion passengers, representing increases of 4.4 and 6.9 percent, respectively.

The machine-building industry turned out 1,400 high-precision machine tools, 310,000 motor vehicles and 670,000 power tillers, increases ranging from 28.3 to 34.7 percent.

New TV sets numbered 9.96 million, a rise of 45.7 percent. The output of tape recorders, electric fans, washing machines and refrigerators chalked up rises of anywhere from 50 percent to 190 percent.

Out of 100 major industrial products surveyed by the bureau, 48 have already reached the targets set for 1985, the last year of the country's Sixth Five-Year Plan.

Industrial production maintained its momentum in Jiangsu, Zhejiang, Guangdong, Fujian and other coastal provinces where the output climbed by between 19 and 24 percent.

Ningxia, Qinghai, Guizhou and Yunnan provinces and autonomous regions, the traditionally less developed areas in the country, also witnessed remarkable progress, with increases ranging from 13 to 17 percent.

CSO: 4020/84

INDUSTRY

STATE STATISTICS BUREAU ON INDUSTRIAL EXPANSION

OW151934 Beijing XINHUA in English 1627 GMT 15 Jan 85

[Text] Beijing, 15 January (XINHUA)--China's industrial output grew by an average of 10.6 percent in each of the last 3 years, against a rate of 7.1 percent from 1979 to 1981, according to the State Statistics Bureau here today.

The rate was 13.6 percent last year.

The bureau attributed the growth to:

--rural economic reforms. The total value of farm and side-line produce rose to 140 billion yuan last year, from 95.5 billion yuan in 1981.

--industrial restructuring. State, collective and individual initiatives were coordinated to hit an all-time coal production record last year. National defense industries produced four billion yuan worth of civilian goods, a 40 percent rise over 1983.

--technical progress. The state invested 90 billion yuan in new technology from 1981 to 1984.

--wider economic and technical exchanges with the outside world. The establishment of four special economic zones and the opening of 14 coastal cities to foreign trade helped develop local industry.

--growing consumer demand on the domestic market.

CSO: 4020/84

## INDUSTRY

### SHANGHAI, OTHER REGIONS RAISE INDUSTRIAL OUTPUT

OW161055 Beijing XINHUA Domestic Service in Chinese 0819 GMT 15 Jan 85

[By reporters Xu Yaozhong and Zhang Jinsheng]

[Text] Beijing, 15 Jan (XINHUA)--According to the State Statistical Bureau, in 1984 Shanghai maintained its lead over other parts of the country in total industrial output value while Zhejiang was ahead of others in industrial growth. Reversing the trend of a low progress over the previous 3 years, Shanghai's total industrial output in 1984 reached 74.272 million yuan, topping that of 1983 by 9.5 percent and fulfilling the target set for the Sixth 5-Year Plan period 1 year ahead of schedule. This amount equals the combined total achieved by Sichuan, Guizhou, Yunnan, Gansu, Qinghai, Ningxia, and Xinjiang. Closely following Shanghai is its neighbor, Jiangsu, and Liaoning, where heavy industries are concentrated. Their output values last year were 67.7 billion yuan and 57.6 billion yuan respectively.

Shanghai, China's largest industrial base, had consistently been far ahead of other parts of the country in total value of industrial production since the founding of New China. However, as a result of the rapid industrial development in other parts of the country in recent years, Shanghai's leading status has been seriously challenged by Jiangsu, Liaoning, Shandong, Sichuan, Guangdong and Hubei, which have been catching up fast. While Shanghai's total value of industrial output in 1981 was still 14.3 billion yuan higher than that of Jiangsu, its closest competitor, the gap has since then become narrower and narrower. The difference last year was only 6.5 billion yuan. Nevertheless, the results of Shanghai's industrial growth are still admired by other areas. Compared with the national average, Shanghai's per capita income was six times higher; productivity, four times higher; use of energy, two times more efficient; circulating capital for every 100 yuan of goods produced, 11 yuan lower; and its profits and taxes [zi jin li shui lu 6327 6855 0448 4451 3764], the nation's highest. This shows that although Shanghai's lead in output value is decreasing, the superiority of its economic achievements is still highly remarkable. As pointed out by people in economic circles, it is much harder to catch up with Shanghai in economic results than in output value.

Last year, all parts of the country, with the exception of Xizang, achieved relatively high growth in industrial output value. Exceeding the national

average of 13.6 percent were 10 provinces and 1 autonomous region. Among them, Zhejiang achieved the highest growth. The total value of its industrial output in 1984 increased 24 percent over 1983, and its output value increased 6.4 billion yuan within 1 year. Of all trades in Zhejiang, the province's light industry enjoyed the highest growth, with output value increasing by more than 25 percent over 1983. Next to Zhejiang was Fujian, with a growth of 20.2 percent. Third was Guangdong, with a growth of 19.3 percent. Other areas exceeding the national average of industrial growth were Jiangsu, Guizhou, Hebei, Sichuan, Hubei, Anhui, Yunnan and Ningxia.

CSO: 4020/84



INDUSTRY

SHANGHAI LEADS IN NATIONAL INDUSTRIAL OUTPUT

OW160640 Beijing XINHUA in English 0631 GMT 16 Jan 85

[Text] Beijing, 16 January (XINHUA)--Shanghai's industrial output value reached 74.2 billion yuan last year, a 9.5 percent increase over 1983, and more than any other Chinese province, municipality or autonomous region, according to the State Statistical Bureau.

Jiangsu Province ranked second with 67.7 billion yuan, and Liaoning Province third with 57.6 billion yuan.

Zhejiang Province registered the highest industrial growth rate in the country by boosting production 24 percent over 1983.

China's national industrial output value was 700 billion yuan last year, an increase of 13.6 percent.

The country's biggest industrial center, Shanghai's industrial output value in 1984 equalled the total recorded by Sichuan, Guizhou, Yunnan, Gansu, Qinghai, Ningxia and Xinjiang.

For the past several years, however, its lead has been challenged by faster-developing Jiangsu, Liaoning, Shandong, Sichuan, Guangdong and Hubei provinces.

In 1981, Shanghai turned out an industrial output value 14.3 billion yuan more than Jiangsu. The gap was narrowed down to 6.5 billion yuan by last year.

But Shanghai would likely remain China's economic powerhouse, experts said, noting that its national income per capita was seven times the national average. It was also three times as efficient as the country as a whole in energy utilization.

Other areas exceeding the national average industrial production increase rate last year were Fujian, Guangdong, Jiangsu, Guizhou, Hebei, Sichuan, Hubei, Anhui, Yunnan and Ningxia.

CSO: 4020/84

## INDUSTRY

### BRIEFS

SHANDONG STEEL PRODUCTION--As of 25 December, Shandong Province had produced 1.05 million tons of steel, setting a record. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 26 Dec 84 SK]

SHANDONG ENGINEERING INDUSTRIAL OUTPUT--As of the end of November, the engineering industrial enterprises in Shandong Province prefulfilled and overfulfilled the annual production plan by 1 month. The engineering industrial output value increased by 18.7 percent over the corresponding period of 1983. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 26 Dec 84 SK]

JILIN MACHINERY, ELECTRONICS INDUSTRIES--By the end of October 1984, the total industrial output value of machinery and electronics industrial enterprises in Jilin Province had reached 1.23 billion yuan, exceeding the annual plan by 2 percent and showing an increase of 30 percent over the same period in 1983. For the first time, these enterprises saw a total profit of 104.5 million yuan, an increase of 100 percent over the same period in 1983. [Summary] [Changchun JILIN RIBAO in Chinese 5 Nov 84 p 1 SK]

SHAANXI ORDNANCE INDUSTRY--The output value of civilian products manufactured by the province's ordnance industry in 1984 exceeded 300 million yuan, an increase of 25 percent over the previous year. [Summary] [Xian Shaanxi Provincial Service in Mandarin 1130 GMT 30 Dec 84 HK]

LIAONING MACHINE-BUILDING INDUSTRY--Machinery enterprises in Liaoning Province have made a big stride in applying modern management. According to statistics of the 120 key enterprises under the provincial machinery department, the economic returns created through improvement of management reached 84 million yuan, an increase of 70 million yuan over last year. [Excerpt] [Shenyang LIAONING RIBAO in Chinese 16 Dec 84 p 1 SK]

JILIN LIGHT INDUSTRIAL OUTPUT--In 1984, the total industrial output value of Jilin Province's No 1 light industrial enterprises increased by 16.12 percent over 1983 output. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 8 Jan 85 SK]

GUIZHOU METALLURGICAL INDUSTRY--Guizhou Province overfulfilled its quota for metallurgical industrial output value for 1984 by 9.8 percent. The metallurgical industrial output value in 1984 was 18.9 percent more than in 1983. The province overfulfilled the quota for profits for 1984 by 41.72 percent and the profits made in 1984 quadrupled those of 1982. [Summary] [Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 10 Jan 85 HK]

BEIJING TERTIARY INDUSTRIAL AREA--Beijing, 11 Jan (XINHUA)--According to departments concerned, 50 percent of entrepreneurs from various localities in China recently wrote a joint letter to leading comrades of the central authorities suggesting that a tertiary industrial area be built in Beijing with funds raised by township enterprises throughout the country. This suggestion has received the support of leading comrades of the central authorities and has been welcomed by Beijing municipality. An initial plan for this tertiary industrial area has already been drawn up. It will be located near Lianhuachi, where a new Beijing railway station will be built. The main architecture will include the Feilong Building, a 50-story multipurpose building, where special products produced by township enterprises will be on display for sale, and the Tenglong Building, where travel and tourism will be promoted. In addition, a street will be built where over 1,000 stores of varied styles will sell special products of all localities and foodstuffs of various flavors. When completed, this tertiary industrial area is expected to become Beijing's busiest and most convenient area with most special features. It will become a major attraction in Beijing. Preparations for building this tertiary industrial area in Beijing municipality are now under way. [By Xu Yaozhong] [Excerpts] [Beijing XINHUA Domestic Service in Chinese 0845 GMT 11 Jan 85 OW]

GANSU 1984 INDUSTRIAL PRODUCTION--Gansu Province fulfilled its quota for industrial production for 1984. The province's gross industrial output value in 1984 was 10.28 percent more than the same period in 1983 and increased by some 900 million yuan. According to statistics, the output value of industrial enterprises under ownership by the collective was more than the output value of industrial enterprises under ownership by the whole people, and the light industrial output value exceeded heavy industrial output value for the first time. The province fulfilled or overfulfilled the annual quota for the production of 29 light industrial products, including woolen goods and woolen blankets. The province fulfilled or overfulfilled the annual quotas for the production of 47 heavy industrial products, including electricity, raw coal, and rolled steel. [Summary] [Lanzhou Gansu Provincial Service in Mandarin 0430 GMT 11 Jan 85 HK]

INDUSTRIAL PRODUCT QUOTAS--Beijing, 15 January (XINHUA)--Fifteen major industrial product quotas for 1985, set in the Sixth Five-Year Plan (1981-1985), were fulfilled or overfulfilled in 1984, 1 year ahead of schedule, according to the State Statistics Bureau. The quotas include those for black-and-white and color television sets, beer, cigarettes, synthetic detergents and rubber, iron ore, locomotives, power-generation equipment, plate glass, trucks, textiles, coal and 10 types of nonferrous metals. In 1984, more than 11.25 million television sets, both black-and-white and color, were made, 3.55 million more than the quota. Coal mines operating under the Ministry of Coal industry produced 394 million tons in 1984, while the 1985 quota was 385 million tons. [Text] [Beijing XINHUA in English 1031 GMT 15 Jan 85 OW]

## CONSTRUCTION

### SICHUAN URBAN AND RURAL CONSTRUCTION REFORM DISCUSSED

Beijing CHENGXIANG JIANSHE [URBAN AND RURAL CONSTRUCTION] in Chinese No 7,  
5 Jul 84 pp 3-5

[Article by Jiao Chengbin [3542 2052 2430]: "Progress of Sichuan's Urban and Rural Construction in Reforms"]

[Text] Sichuan has a broad area and a large population. The tasks of its urban and rural construction are very burdensome. Since the 3d Plenum of the 11th CPC Central Committee, the scale and rate of urban and rural construction have greatly surpassed those of the past as the economy has become prosperous and the appearance of the urban and rural areas has undergone new changes. In urban construction, the first change was that the construction of residential housing has been hastened, and this has eased the shortage of living space in the urban areas. In the urban areas, 33.46 million square meters of new living space were built, equivalent to 1.2 times the total in the 29 years since the founding of the nation. The average per-capita residential space in the urban areas increased from 3.3 square meters in 1978 to 4.4 square meters. The second change was that public enterprises developed greatly. The urban areas throughout the province gained an additional daily water supply capacity of 380,000 tons, an increase of 32 percent from that at the end of 1978. Of the 180 county seats throughout the province, 151 now have tap water plants, constituting 80 percent of the total number of county seats. The number of vehicles for public transportation has increased. The cities now have 2,418 passenger vehicles, an increase of 66 percent from the number at the end of 1978. The transportation distance increased 3,000 m. The difficulty of taking public transportation in the urban areas has gradually changed. Coal gas for the urban areas began from nothing. Chengdu, Zigong, Dukou and Luzhou Cities now have 201,500 urban families and workers who use coal gas, and the percentage of gasification in the 2 cities of Chengdu and Dukou has reached above 40 percent. The third change was that municipal construction projects underwent new development. The cities built 1,067 km of new roads covering 9.93 million square meters, an increase of 94 percent from the figure at the end of 1978. This has greatly improved traffic conditions in the cities. The cities built 138 new bridges, and in particular, the completion of the Chang Jiang Bridge in Chongqing effectively eased the difficulty for vehicles and pedestrians in crossing the river and stimulated the development of

industrial and agricultural production. The urban areas throughout the province built 123 km of new dykes and embankments to prevent floods and this has strengthened the ability to prevent damage by natural disasters. The fourth change is the establishment of gardens, forests and greenery, and filthy conditions have visibly improved.

Rural construction has prospered. Since 1980, 2.20 million peasant families throughout the rural areas of the province (constituting 11 percent of the total number of peasant families) built structures of brick and shingles, brick and cement structures and modern farm houses of one floor and one basement. The farm houses covered 210 million square meters. The quantity of drinking water for farmers has also improved. Since 1980, a total of 1.02 million locations throughout the province were repaired, allowing 28,075,000 people to have clean water to drink. Along with the development of the commercial economy in the rural area, the construction of some small market places and towns in the rural areas is also rapidly developing.

Urban and rural construction in Sichuan has been able to develop relatively quickly mainly because the provincial committee, the provincial government and the party and political leadership at each level emphasized urban and rural construction work and concretely strengthened its leadership since the 3d Plenum of the 11th CPC Central Committee. The main leading comrades of the provincial committee and provincial government and the responsible comrades with separate management responsibilities heard reports on urban and rural construction work many times, conducted reviews of the general plans for major cities, made decisions to solve some major problems in urban and rural construction and forcefully pushed ahead the development of urban and rural construction. One effort was the inclusion as an important effort in the plans of readjusting the national economy and reimbursing the deficits for urban living, thus maintaining a stable growth in the construction of housing and in urban development. Investment for housing as a proportion of the total amount for capital construction has remained at about 28.9 percent for the past 5 years, and the area of construction has remained at about 6 million square meters. A second effort was to solve the conflict of the serious deficiency in urban public facilities. In 1981, the provincial committee and the provincial government decided to allow urban tap water and public transportation departments to keep all of their profits for the urban areas for 3 years. This has forcefully promoted the development of urban tap water and public transportation. A third effort was to strengthen the building of small urban areas. The provincial government made plans in 1983 to build small urban areas and, in particular, issued clear rules for sources of capital to build small urban areas. This has preliminarily solved some actual difficulties in building small urban areas and promoted the building of small urban areas. A fourth effort was to adapt to the needs of urban and suburban construction. In reorganizing the agencies, the provincial committee and the provincial government decided to establish a provincial urban and suburban planning and design research institute. Environmental protection bureaus for urban and suburban construction were set up on a widespread basis in cities, wards, prefectures and counties (in some cities under provincial jurisdiction, committees were set up) as

agencies of the government departments to take charge of environmental protection work in urban and suburban construction. They have served as an organizational guarantee for urban and suburban construction.

Based on the glorious strategic goal of quadrupling total industrial and agricultural production value by the year 2000 proposed by the 12th CPC Party Congress and the instructions of the leading comrades of the Central Committee after their inspection of Sichuan and Guizhou, the provincial committee issued calls to work toward "making the people rich" and "elevating their social status," to make Sichuan's economy prosperous and to create a new situation in Sichuan's work. It proposed more burdensome and complex tasks and made greater demands. To adapt to the needs of national economic development and create a new situation in urban and suburban construction, the following tasks must be concretely grasped in the future:

I. Hasten the Steps in Planning, Improve the Quality in Planning. Sichuan Province has 196 cities and counties, and at present, the heartland and the Panxi region of the province have 164 cities and counties, of which 90 percent of the cities and 50 percent of the county seats have completed the tasks of drawing up general plans; 80 percent of the planning tasks are scheduled to be completed in 1985 and entirely completed in 1986. In planning the establishment of market towns, 1,500 of them are scheduled for completion this year, completing 40 percent of the total number of market towns in our province and striving to reach 50 percent, and efforts should be made to complete all of them in 1985. Plans for the establishment of rural production brigades call for the planned completion of 460,000 of them in all this year and efforts should be made to complete all of them in 1985. Urban areas that have already completed general planning must further their efforts to complete detailed plans. In particular, short-term construction plans must be in depth, detailed and concrete, and the results of planning must be judged by whether short-term construction is done well or badly. Therefore, investigation and research must be strengthened before approval of the plans for a city, a county seat and a town, and technical deliberation and economic analysis must be conscientiously carried out to guarantee the quality of planning.

To hasten organization, review and approval of plans, the whole province must implement guidance by category and review and approval at each level and provide management at each level, simplify procedures and improve efficiency.

II. Liberate Thinking, Insist on Reform. We must carry out reforms to hasten urban and suburban construction and to manage the urban and suburban areas well. Without reforms, urban and suburban construction will be hopeless. According to the spirit of the Central Committee concerning reforms and arrangements made by the provincial committee, we must grasp the following reforms at present: 1. In planning, the system of management of planning mainly by "blocks" must be implemented. Test points must be set up first in the cities of Chongqing, Chengdu and Dukou. The municipalities must be allowed to build uniformly and manage funds and materials uniformly for the service facilities of each unit assigned to receive them according to

regulations, change the discrepancy between planning and construction and between urban construction and economic development and include urban construction in the national economic plans and social development plans so that it can be uniformly arranged and developed in a coordinated way.

2. The management system of public enterprises must be changed. One way is to implement the experience of Dukou City, i.e., to implement unified leadership, centralize management to combine the urban and suburban areas into one and manage passenger and freight transportation separately. The second way is to follow the principles of voluntarism and equality, the sharing of benefits, glory and disgrace and the sharing of risks in implementing the joint management of various kinds by jointly considering both the urban and suburban areas, long-distance and short-distance transportation and marine and land transportation. The urban water supply should be uniformly arranged according to the principles of economy, rationality, voluntarism and mutual benefit so that urban tap water companies and units with their own water supply plants that have surplus capabilities can be jointly operated. Pipeline networks should be connected, potential should be exploited and surplus and shortage should be balanced to solve the shortage of water supplies in some cities. 3. The urban housing system must be reformed to hasten progress in housing construction. Test points for subsidizing urban housing sold to individuals and for giving public assistance to housing built by the people should be actively carried out to break away from the long-time practice of having the state shoulder all the responsibility of building housing for municipal workers. Housing should gradually change from the system of rationing to selling to coincide with our nation's situation so as to benefit the nation and the people. This year, trial implementation should begin in the cities and the counties of Chengdu, Chongqing, Zigong, Nancong, Bazhong and Meishan. Plans call for building 2,670 housing units covering a construction area of 130,000 square meters. At the same time, the sale of old public housing will be expanded further. The two cities of Chengdu and Chongqing are also planning to build a group of apartment type residential projects on a trial basis mainly for young married couples. These newly built housing units will be rented to the newlyweds. The experience of carrying out unified planning, unified design, unified land procurement, unified demolishing and unified construction of small areas must be continued so as to develop separate regions, centralized construction, auxiliary facilities and comprehensive management. 4. The rationing system must be reformed to enliven urban construction enterprises and ventures. The enterprises and units of the urban construction system must learn the experience of the First Urban Construction Company of Chongqing City in implementing the economic responsibility system to establish an internal economic contract responsibility system that is sound and that is suited to the characteristics of each enterprise. The Chongqing Municipal Public Transportation Company has decided to carry out this system at two central stations by fixing the amount of total wages as a percentage according to two different trial methods, either as a percentage of the revenue from every 1,000 car-km or as a percentage of the total operating revenue. The amount to be reserved for wages is based on this floating percentage, and it will be strictly verified and distributed according to work so that it will not have to be subsidized by the higher authorities nor its bottom line guaranteed.

In managing and repairing real property, the economic responsibility system implemented on a trial basis throughout the cities and counties of Chongqing, Chengdu, Luzhou and Guanxian must be grasped well to break away from the long-time situation of "eating from the big pot" by the departments of housing administration, creating a lot of waste, providing poor service and realizing low benefits.

III. Develop Small Market Towns, Build New Rural Areas. Developing small market towns is another major policy to develop the production of commercial products and make the farmers rich. It is an important measure to "make the people rich" and "elevate their status" in our province. Recently, the responsible comrades of the provincial committee proposed after investigation and study that the party committee and government at each level should heighten understanding, strengthen leadership and provide beneficial guidance by taking advantage of the situation to carry out the construction of small towns well. First, planning for small market towns must be done well. First, planning for small market towns must be done well, and construction and administration must be carried out according to plan. Blind demolition, moving in a big way, chaotic construction, unauthorized occupation of the land and waste of the land must be prevented. At present, the emphasis in construction must be placed on building basic facilities, and where conditions are good, developmental construction can be carried out. We must pay special attention to first arranging the construction of facilities for markets and warehouses for commodity circulation to adopt to and promote the development of commercial commodities produced in rural areas. The second is to assign some construction projects and new enterprises to small towns where conditions are favorable and actively to assist the development of small market towns by various methods via cooperation and joint ventures between urban enterprises and rural enterprises, and by distributing products and ordering merchandise for processing. The third is to implement policies favorable to the development of small towns. Policies of levying lower taxes or tax-exemption policies for land use and housing construction should be implemented according to the spirit of the instructions issued by the Central Committee, which has called for an appropriate concentration of rural industries in the small towns and for farmers engaged in labor, in commerce and in services to acquire their own food grains for their families and to settle in small towns. Under the guidance of state plans, public facilities and cultural service facilities such as water supply and small power stations, theaters and cultural stations should be allowed to operate with private investment or to be jointly operated by collective funds on a trial basis, and their ownership, operation and benefits should belong to whoever makes the investment. The fourth is to open up channels for the solicitation and accumulation of funds from many sectors. The policy of "allowing the people to build their towns" should be implemented, and the enthusiasm of all sectors must be mobilized to hasten the development of small towns.

Civilian ventures should be developed and the commercialization of rural housing should be gradually realized. Rural housing construction companies and building materials companies should first be organized and established in areas that are economically richer in order to create the experience of



providing complete sets of parts for commercial construction and building houses for sale as a commercial product to the farmers.

IV. Make the Legal System Sound, Strengthen Urban Administration. Strengthening urban construction and administration to place construction and management on a scientific track is an urgent task. Laws must be enforced so that everything is done according to law and that violations are pursued. Administrative management, professional management and mass management must be tightly combined to establish a strong law enforcement team that combines the professionals and the masses. We must establish a sound three-tier system of urban administration. Units of the same nature and units operating under the unified leadership of the local government and under the guidance of the specialized administrative departments with an emphasis on the units operating locally without considering the whole so as to exercise control at each level and establish control at the basic levels and make sound and perfect the system of three-tier management at the municipal level, the ward level and the neighborhood level. The division of work must be clearly defined and responsibility must be assigned to each level. We must broadly establish and conscientiously implement the responsibility system of "being responsible for three things in front of every doorstep" so that the management of environmental sanitation in the towns is implemented systematically and frequently. We must establish sound urban and rural management agencies. With the agreement of the provincial committee, the province, prefecture and county must establish environmental protection (or urban and suburban construction management) committees for urban and suburban construction. We must establish and perfect a linear management system so as to carry out strong leadership in urban and rural construction and management.

In addition, we must strengthen the training of personnel and hasten intellectual development to guarantee that urban and rural construction efforts will develop smoothly in a scientific way.

9296

CSO: 4006/733

## CONSTRUCTION

### COMPREHENSIVE DEVELOPMENT OF URBAN CONSTRUCTION URGED

Beijing CHENGXIANG JIANSHE [URBAN AND RURAL CONSTRUCTION] in Chinese No 7,  
5 Jul 84 pp 7-8

[Article by Huang Chongguang [7806 6850 0342]: "Economic Results of Comprehensive Development of Urban Construction Are Good"]

[Text] Comprehensive development is the objective demand in the ever increasing socialization and modernization of urban construction. It includes two aspects, one vertical and the other horizontal: the horizontal aspect involves differentiating between the less important and the more important and between the more urgent and the less urgent tasks in the construction projects for industry, transportation, housing, science and culture, education and health, commercial services, municipal projects, public services, the greening of the environment, the creation of gardens and forests, environmental protection and other construction projects. It also involves uniformly arranging and matching construction projects according to plan and proportionally to satisfy the ever increasing needs for production and living in society. The vertical aspect involves letting the developmental departments be responsible for uniformly organizing the entire process of construction from planning and design, land acquisition, demolition and moving of old facilities, leveling of land, construction, inspection, delivery and use to the rationing of housing units so that each link is closely connected to the other and each link matches the other in order to shorten the construction period. Thus, when one piece of land is planned, it is developed and a benefit is reaped from it. This is a way to increase economic benefits.

Comprehensive development is a new venture in urban construction. In 1978, the principle of "six unified efforts" was proposed at our nation's Third Urban Work Conference to practice unified planning, unified investment, unified design, unified construction, unified distribution and unified management in urban civilian housing projects. It pointed out a clear direction for the comprehensive development of urban areas. After the 3d Plenum of the 11th Party Congress, the comprehensive development of the urban areas realized a prosperous development in following the spirit of the Central Committee to reform the economic system.

To hasten the rate of housing construction in Beijing City and to improve gradually the housing conditions of the people of the capital city, the city government made a decision and established in October 1980 the Urban Construction and Development Company. Its tasks are to carry out preliminary development work for urban construction, the uniform construction of small residential areas and the development and construction of satellite towns. In a few years, 34 residential areas covering more than 20,000 square meters were developed. The planned area covered 8.6 million square meters. Each year, work began or was resumed over an area of 2.5 million square meters, and the completed work covered an area of more than 800,000 square meters. Up to the end of 1983, the total area of housing construction completed was 4.98 million square meters, with a living space of 4.13 million square meters totaling 75,000 units sufficient for 300,000 people to live in. In recent years, the practice of the uniform development of housing on a relatively large scale in Beijing has proven that the benefits of comprehensive development are obvious:

I. It Benefits the Realization of Overall Planning for Urban Areas and Rapidly Changes the Appearance of Cities.

In recent years, Beijing City has begun gradually to implement unified development according to the spirit of the four instructions of the policy to build the capital as issued by the Central Secretariat and the spirit of the "overall plan for the construction of Beijing City" as approved by the Central Committee of the party and the State Council to change the old city by streets and blocks and to build new residential areas, adding a new appearance to ancient Beijing. Most of the 20,000 square meters of the 34 residential areas uniformly developed in recent years have been completed and residents have moved into the new residential areas. The Qiansanmen-Avenue residential area of 500,000 square meters extends over 10 li. It has changed the old appearance of the southern part of the city. The two large residential areas of Jinsong (790,000 square meters) and Tuanjie Hu (560,000 square meters) on the two sides of Dongsanhuan have been mostly completed and people have already moved in. Greening has also been done, transportation is convenient and the environment is beautiful. Twenty highrises have been built on the southern and northern sides of the boulevard outside Fuxing Gate (320,000 square meters), of which 16 are residential highrises. A tree-lined boulevard has been built along the new 1.6-km avenue. Large-scale construction is being carried out in the Shuangyushu subdistrict (480,000 square meters) in the northwestern suburbs, and Zhujiazhuang subdistrict (460,000 square meters) in the northeastern suburbs. Construction has begun in the three new residential areas of Xiangheyuan (940,000 square meters), Wuluju (1.2 million square meters) and Tayuan (230,000 square meters) along Bei San Huan Road. This year, the city plans to develop a residential area of 2 million square meters near the Nan San Huan Road. It is the largest new residential area in Beijing at present. After the completion of these residential units, the appearance of the city and the suburbs will undergo a great change. Uniform development has combined plans with planning, overcome the gap between planning and plans and eliminate scattered construction and the practice of making use of every bit of space, which created disorder in the cities.

## II. It Benefits the Coordinated Development of Various Urban Construction Projects and Hastens Housing Construction.

The 10 years of upheaval created a serious discordance in three respects, namely, the discordance between housing construction and the construction of other auxiliary services, between municipal construction and the construction of public facilities and housing construction and between preliminary developmental work for construction and current construction. Since Beijing City began comprehensive housing development, a total of 20 million square meters of housing area was completed from 1979 to 1983, equivalent to three times the total housing area completed during the period of the "Cultural Revolution," the rate of housing construction quickened and the proportional relationship between "bone and flesh" was coordinated. Because of the construction of residential areas by streets and blocks, basic urban construction projects for municipal and public facilities and auxiliary projects for services were also constructed synchronously in the small areas. The development company has in the past year constructed 700,000 square meters of auxiliary projects in small residential areas, including 65 elementary schools, 33 nurseries and kindergartens, 5 clinics, 130 centralized commercial service areas, 22 medium-size market places, 4 movie theaters, 18 post offices, bookstores and banks and 59 police stations, offices, residents committees and housing administration stations. The residential areas built as a result of unified development basically had water, electricity, gas, heat, roads and service facilities, and the residents find living there very convenient. Comprehensive development gradually solved the three discordances left over from the past and enabled urban construction to progress according to plan and proportionally.

## III. It Benefits Shortening the Construction Period and Improving Economic Benefits.

The economic benefits of unified development can be illustrated in the following areas:

1. Shortening the construction period. Because of the implementation of unified development, construction of entire streets and whole blocks made unified construction, the organization of parallel and continuous construction and three-dimensional operations possible. They hastened the speed of construction. The percentage of completed housing projects for enterprises of the system of ownership by the whole people throughout the city of Beijing averaged 36.9 percent in 1983, and the average construction period was 2.8 years (32 months). In the Zuojiashuang subdistrict uniformly constructed by the Third Development Company, the construction period of the dormitory project in the area averaged 1.6 years (20 months) because the company first drew up a general design for organizing construction and proceeded according to plan and proportionally. The construction period was shortened by about one-third. At the same time, many residential areas also paid attention to simultaneously building the main projects and auxiliary projects so that every completed building could be delivered for use and develop its economic benefit early.

2. Reducing construction costs. Because of centralized construction, the implementation of unified land acquisition, demolition, moving, planning, design and construction and the promulgation of large economic contracts for building small areas have been very favorable to controlling and reducing construction costs. According to an analysis and comparison of some residential housing construction projects, unified construction projects costs 13-16 yuan less per square meter than scattered projects, a 9-11 percent reduction in construction costs.

3. Improving the labor productivity of construction units. Because construction companies contracted for the unified construction of entire streets, whole blocks and large areas, the construction areas were relatively stable, the movement of workers and machinery correspondingly lessened, fewer temporary structures had to be built and the efforts of the leadership were concentrated, and this favored the improvement of construction productivity and the reduction of construction costs. For example, most of the construction for the Zuojiashuang residential area was shouldered by one construction company (300,000 square meters). The labor productivity of the entire work force of that unit reached 12,000 yuan, and the area of completion of the entire work force averaged 55 square meters per person. This has reflected on the side an improvement in the economic benefit of unified construction projects.

4. Improving construction quality and conserving manpower. Because of unified planning and design, construction quality must be clear and the standards are higher to make it easier for workers to operate and handle the jobs. Centralized construction facilitates the inspection and supervision of quality, and solving quality problems that have emerged during construction on time is conducive to guaranteeing construction quality. Because the development company carried out developmental tasks and construction tasks in a unified way and replaced 200-300 large and small (?projects) [jiafang 3946 2455], this was a significant conservation of manpower. Under ordinary circumstances, scattered construction requires the developer to handle land acquisitions, demolition and moving, planning, drawing of blueprints, construction and procurement of materials, inspections and deliveries of construction projects. For every 10,000 square meters, there must be assigned at least 10 cadres. Because of unified organization by the development company, each 10,000 square meters requires only one or two people, conserving manpower by 70 percent.

#### IV. It Benefits the Protection of the City's Appearance and Environment.

In scattered construction, construction sites are scattered throughout the whole city. Soil is piled up everywhere and the ground is dug up everywhere, land is taken up for piling materials and construction shacks and temporary structures are set up for construction. They do not present a comfortable sight, and they hinder traffic. On windy days, dust flies everywhere. On rainy days, roads become muddy and make the city very dirty. Unified development and construction of whole streets and entire blocks take up large areas at a few places during construction. They are easy to manage. An entire area can be completed and this favors protecting the environment

and keeping the city clean. When the residential areas are completed, there will also be good drainage and sewer and road systems, and unified beautification, greening and cleaning will have been done. They provide residents a clean, sanitary and beautiful living environment.

#### V. It Benefits the Reform of the Building Industry.

The implementation of comprehensive development is a major reform in urban construction, and it is very favorable to promoting the present reform of the building industry. In implementing a reform of bidding, the development company acts as the first party. It can draw up rules for bidding and methods of implementation, establish minimum construction standards, select the bids and conduct bidding at the construction company and open up competition to enliven the building industry. In implementing reforms to commercialize housing, the development company can determine the prices of houses according to related state regulations and the cost of developing residential housing. It can gradually implement commercialization and solve the housing problems of urban residents by selling to agencies and individuals.

In general, comprehensive development can hasten the rate of urban housing construction, shorten the construction period and improve the economic, social and environmental benefits of urban construction. It is the road that must be followed in the future development of urban construction.

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## CONSTRUCTION

### CONSTRUCTION OF COASTAL HARBORS AND CITIES DISCUSSED

Beijing CHENGXIANG JIANSHE [URBAN AND RURAL CONSTRUCTION] in Chinese No 7,  
5 Jul 84 p 12

[Commentary: "Focus on Construction of Coastal Harbors and Cities"]

[Text] Not long ago, the Central Committee decided to open up 14 coastal harbors and cities such as Dalian further. With the inclusion of four cities like Xiamen which have already set up special economic zones and Hainan Island which has already been opened, all our nation's major harbor cities are now included as open cities. This is a decision of strategic significance. It has brought a new momentum to the construction of our nation's harbor cities which has now entered a new stage of development. In this new situation, the further planning and construction of our nation's harbor cities are important tasks in present urban construction.

The role and function of harbor cities in the national economy are very obvious. At present, although the number of our nation's harbor cities constitutes only one-twelfth of the number of cities of the whole nation, their population has already reached one-fifth the urban population of the whole country, and their industrial production value has already reached one-third of the urban industrial production value of the whole nation. In the future, as special economic zones and economic development zones in harbor cities are constructed, as harbors are built, as cities are built and as other projects are constructed, there will surely be faster and greater development. Harbor cities will surely serve an ever increasing function in hastening our nation's four modernizations.

In recent years, great achievements have been realized in the construction of harbor cities. A number of deepwater harbors and container harbors have already begun operation or have begun construction, and the cargo-forwarding system at harbors is continually being perfected. The construction of harbor towns and the necessary accessory facilities has also undergone great improvement. But there are still some problems in the construction of harbor cities. For example, there is a shortage of berths at the harbors and this cannot adapt to the needs of economic development. The railroad management system inside certain harbors urgently need to be reformed. The utilization of the coastline is not rational and unauthorized occupation of the coastline is serious, causing the "coastline to be occupied by coastal units" and creating a strong hindrance to the readjustment of the coastline

according to overall urban plans. There is a serious shortage of coastline for living. Although people live in coastal cities, they hardly see the sea. Some harbors have carelessly encircled coastal land for reclamation, thus reducing the amount of tidal water that can be accommodated by the harbor and creating silting in the harbors. At some harbors at the mouths of rivers, silting in the navigational channel has made them shallower and the cross section of the riverbed has lessened because of the serious erosion of the upper reaches and the construction of dams. This has affected the flood discharge capability of the navigational channel and the river channel. The northern coastal harbor cities generally lack freshwater resources. Overextraction of underground water has caused the ground surface to settle and has threatened urban construction and the people's lives. The worsening of the coastal environment, the increasingly serious pollution, oil slicks on the ocean surface, overextraction of sand, uncontrolled dumping of garbage on beaches and the release of industrial waste sewage containing harmful substances have destroyed the coastal ecology.

In the four modernizations, harbor cities are not only important hubs that link ocean and land transportation, they are also the windows from which to attract foreign advanced technology and managerial experience and they are transfer stations for disseminating science and technology inland. Certain large harbor cities will also serve an international function of bringing prosperity to local economies. To hasten the construction of harbor cities and to develop the function of harbor cities in the national economy, the construction of harbor cities must be placed on the daily agenda of the central authorities and the localities. We must fully understand the special function of harbor cities, carry out forceful measures and change the present backward situation.

The harbor cities that are being opened up now are conducting negotiations to introduce projects to build economic development zones, special economic zones and construction plans. The economic planning and foreign trade departments must pay attention to cooperating with the urban construction and planning departments to include the construction of special economic zones and economic development zones in overall urban plans. They must be favorable to rapid implementation and they must also prevent confusion. They must consider short-term coordination with urban construction and also long-term urban development. We must make the construction of special economic zones and economic development zones a favorable factor in promoting the development of harbor cities. While paying attention to improving economic benefits, we must also pay attention to improving environmental benefits and social benefits and exert efforts toward making our nation's harbor cities into modern industrialized harbor cities that possess coastal characteristics, beautiful environmental conditions and developed transportation facilities.



## CONSTRUCTION

### FUNCTIONS AND ECONOMIC STATUS OF COASTAL HARBORS AND CITIES

Beijing CHENGXIANG JIANSHE [URBAN AND RURAL CONSTRUCTION] in Chinese No 7,  
5 Jul 84 pp 13-15

[Article by Yang Baoting [2799 5508 0080]]

[Text] Coastal harbor cities (harbor cities for short) refer to cities that possess harbor facilities for docking seagoing vessels, that serve as the hub of ocean and land transportation and that are located by bays, on the coast of straits, on the banks of straight seacoasts, on the banks of lagoons, at the mouths of navigable rivers entering the sea (including sections near the mouths of rivers affected by tides) and in large lake regions connected to the sea. The 14 cities including Dalian and Qinhuangdao that are being opened up for trade as announced recently by the state and the four cities including Xiamen and Shantou that already have established special economic zones together with Haikou at Hainan are all such cities. In the future, as the harbors develop, small harbor towns that have favorable conditions for building deepwater seaports, satellite harbor towns on the outskirts of large harbors and certain towns around bays that have the conditions for building harbors may all develop into harbor cities. At present, our nation already has 19 harbor cities that have been established or are being established (not including Hong Kong, Gaoxiong and Jilong). It is expected that by the end of this century and at the beginning of the 21st century, the number of coastal harbor cities our nation will have may reach more than 30.

#### I. Historical Status of Coastal Harbor Cities

Coastal harbor cities have historically served an important function in stimulating social and economic prosperity and have facilitated world trade. As early as the Middle Ages, as merchant shipping emerged, coastal harbors became hubs for the concentration, distribution and transfer of commercial products. They gradually became coastal harbor cities. At that time, Venice and Genoa in the Mediterranean trade region, Lubeck in the Baltic Sea trade region and Guangzhou, Palembang and Basrah along the ancient East-West navigation route of earlier times were all prosperous ancient commercial harbor cities and international trade markets.

Our nation began ocean navigation at the beginning of the Han Dynasty. Today, Guangzhou is one of the oldest harbor cities still in existence. From the middle of the Tang Dynasty through the Sung and Yuan and the beginning of the Ming Dynasty, our nation had always been a great seafaring nation. During the Middle Ages, Guangzhou, Quanzhou and Mingzhou (renamed Ningbo after the Ming Dynasty) had been three famous ancient harbor cities that remained prosperous for several dynasties. Each year, overseas merchants, sailors, foreign tributary dignitaries and monks who gathered in these three port cities reached several hundred thousand people. "Foreign communities" and "shipping authorities in the cities" (similar to today's customs) that administered maritime shipping and trade also appeared in Guangzhou and Quanzhou. From the Han and Tang Dynasties to the beginning of the Ming Dynasty, more than 10 major port cities rose and fell. There were also seven general harbor towns that existed during only one or two dynasties. Coastal port cities and harbor towns at the river mouths where rivers flow into the sea have served an important function in the development of the mercantile economy during the Middle Ages in China and of political, economic and cultural exchange between China and foreign lands.

After the middle of the Ming Dynasty, the coastal seas were harassed by pirates, and the Ming and Qing rulers emphasized agriculture, suppressed commerce and exercised closed-door policies, causing the demise of the coastal port cities that were prosperous during the Middle Ages.

After the Industrial Revolution in Europe, coastal port cities developed into industrial and financial centers from being maritime shipping and commercial cities because they had convenient maritime shipping and transportation facilities. In the 16th century, Western European colonists used coastal port cities as bases from which to expand overseas. They extended their tentacles of aggression into the Indian Ocean and the Pacific and controlled navigational rights. After the Opium War, colonists occupied our nation's old port cities and towns for the purpose of pillaging our nation's resources, monopolized ocean shipping, controlled the customs and used coastal port cities as strongholds to invade China further and as points for exporting the resources and riches they plundered, causing a lopsided development in the economy, municipal administration and harbor construction of the coastal port cities and their colonial characteristics.

After National Liberation during the mid-1950's, we utilized the industrial foundation of the coastal port cities and forcefully supported the construction of inland industries. Afterwards, as foreign trade and economic relations developed, a large number of old harbors were rebuilt and expanded, and at the same time, we constructed new harbors including Tanggu and Zhanjiang. After the mid-1970's, harbor construction underwent new development.

The status of modern coastal port cities seems more important than that of any other historical period. As the means of distribution and shipping in the harbors improves and as the capacity of distribution and shipping expands, the area of attraction and the functions of coastal ports have far surpassed those of past years. At present, coastal port cities are

entering a new stage of development as our nation carries out the construction of special coastal economic zones and economic development zones.

## II. The Functional Characteristics of Modern Coastal Port Cities

The functional characteristics of coastal port cities are closely related to the economic development of the whole society, scientific and technological progress and the international situation. If we say that the functional characteristic of port cities during the mid-century is a combination of being commercial ports and serving a political function, and the functional characteristic of modern port cities is a combination of being commercial ports and industrial centers, then the functional characteristic of modern port cities beginning with the second half of this century is a trend toward a multifunctional and cosmopolitan nature linked by ocean shipping and trade. According to forecasts by economists, the world's economic structure is undergoing a major change. The Pacific region may become the world's economic center in the 21st century. Changes in the world's economic situation will surely affect the functional structure of coastal port cities in this region profoundly. The change in the international economic situation and domestic economic liberalization will surely lead to outward international characteristics in the functional structure of coastal port cities, especially large coastal port cities. Our nation's Shanghai and Guangzhou have superior geographical locations, a broad hinterland and an important status in the future economic system of the Pacific region, and they will develop into central cities of international characteristics serving the world's finance, information, science and technology, shipping and trade. The outward character of the functions of several other large coastal port cities such as Tianjin, Qingdao, Dalian and other cities will also show their prominence in future development. Medium-size and small coastal port cities will also acquire definite outward characteristics as special economic zones and economic development zones are constructed.

The speed of development and the functional structure of harbor cities are related not only to socio-political and economic factors but also to the scale of harbor characteristics and other structural factors of the port city. Although the scale of specialized modern transit harbors is developing quickly, the relationship between the harbor's function and the city's function is not close, and therefore the rapid development of the harbor does not greatly affect the function and scale of the city. Comprehensive harbors (multifunctional harbors for loose cargo) are closely related to the changes and scale of the functions of cities. Dalian, Qingdao and Qinhuangdao harbors were founded about the same time, all at the end of the last century and the beginning of this century. The development of the transit capacity of these three harbors has been fast and their capacity is similar. Because the two ports of Dalian and Qingdao are both comprehensive harbors mainly for loose cargo, the portion of merchandise shipped to and from the harbor for consumption by the cities themselves is large, and the relationship between the harbor and the city is very close. Therefore, the cities developed quickly and have become comprehensive and regional metropolitan cities with a population of 1 million. Qinhuangdao Harbor has mainly been used to export coal since its founding. It is an energy export harbor with a

singular function. The majority of the merchandise is transient and does not have any direct relationship with the urban economy and urban life. Therefore, although the harbor has developed very quickly, in 1983 the annual handling capacity of the harbor surpassed 30 million tons, and the city itself has developed slowly. Thus, the harbor's characteristics of a large coastal port city must be comprehensive. To adapt to the demands of development of the new economic situation, transit harbors should transform themselves into comprehensive harbors, develop loose cargo piers and gradually establish an industrial system closely related to the harbor. Only in this way can these types of port cities serve an active function in future development.

Generally, in view of the functional characteristics of our nation's coastal port cities at present, they possess the function of being the hub of sea and land traffic, transportation and foreign trade, a function not possessed by inland cities, and they also serve as bridges for economic, cultural and technological exchange between the inland areas and abroad. In view of regional economic links, coastal port cities not only are windows for developing industries with foreign capital investment and for introducing advanced technology but should also become transfer points to promote the economic progress of the inland regions and to transfer advanced technology.

### III. Economic Benefits of Coastal Port Cities

At present, the total handling capacity of our nation's seaports still cannot adapt to the needs of maritime shipping. In recent years, indemnities for the delayed loading and unloading of foreign vessels resulting from the insufficient number of docks at seaports have been relatively large. The industrial structure of many port cities is not rational enough. There are also serious problems in the utilization of the coastline (with the lack of coastline for living, the amount of coastline used irrationally averages about 10 percent). Even under this situation, the economic benefits of coastal port cities are visibly higher than ordinary inland cities. They can be seen in the following economic indexes described below.

The number of coastal port cities in our nation is less than 10 percent of the total number of cities throughout the nation. But the total industrial production value of coastal port cities has reached one-third of the total industrial production value of the nation's cities. Ninety-six percent of their industrial production value is created by six major port cities. The major economic indexes of these six main port cities are all visibly higher than those of ordinary cities of the same size. The major economic indexes of these six main coastal port cities and ordinary cities are compared in the following:

Economic Indexes	Average of Ordinary Cities with Over 500,000 in Population	Unit: % Average of Coastal Port Cities with Over 500,000 in Population
Average industrial production value per industrial worker	100	173
Industrial production value per 100 yuan of base value of fixed assets of industries of the system of ownership by the whole people	100	157
Profit generated per 100 yuan of fixed assets of industries of the system of ownership by the whole people	100	167
Capital gain of industries of the system of ownership by the whole people	100	159

The table of average values of the above indexes shows that medium-size and small port cities are about the same as cities of the same size. This shows that medium-size and small port cities have not utilized their harbor's superiority and have not formed an industrial system closely linked to the harbors. Most medium-size and small port cities still rely mainly on traditional local industries. Because certain medium-size and small port cities are singular transit harbors, the formation of the harbor's maritime industries and processing industries for foreign trade has been limited and this has affected the development of the economic benefits of the port cities.

The table above fully shows the importance of developing industries related to the harbors and establishing an industrial system suited to the characteristics of the harbors in a big way. According to preliminary surveys, the percentage of industries that have utilized the harbor's characteristics in Shanghai, Qingdao, Dalian and Tanggu is higher than other port cities. Therefore, the major economic indexes of these cities are also high. Wenzhou, Zhanjiang, Qinhuangdao, Haikou and Beihai have not formed an industrial system that combines the characteristics of their harbors. Thus, the economic benefits of these cities are also low. It can be seen that by combining the characteristics of the harbor to form each port city's own industrial system is the key to developing the economic benefits of the port city.

While coastal port cities are utilizing foreign trade to develop technology- and knowledge-intensive industries, they should generally develop the harbor's maritime shipping industry, oceanic-resource development industries and export-processing industries for foreign trade in a big way at the same

time, such as shipbuilding, oceanic chemical industries, offshore oil drilling and processing, petrochemical industries, tidal electric power generation, fishing, aquatic-product processing and culture, processing of imported raw materials, industries that massively utilize seawater for cooling and industries that massively utilize maritime shipping of raw materials. Because most coastal port cities are located at the end of regional power networks and their power supply is insufficient, because their industries are more concentrated and because large amounts of inland coal are transported to coastal cities to build large thermal power plants, all of which will add to the burden of the already saturated transportation system and the pollution of coastal cities (besides sulfur dioxide and unsettled dust, the release of ash by large power plants is the main problem that is difficult to solve), it is feasible in the near future to develop the nuclear power industry accompanied by small power systems utilizing tidal energy, wind energy and solar energy on the outskirts of the groups of coastal port cities far away from the coal-producing regions.

In the northern coastal cities that lack freshwater resources, we should control the development of industries that consume large amounts of water.

In special zones and economic development zones, we should mainly develop technologically advanced knowledge- and technology-intensive industries and certain processing industries that possess advanced production techniques and that are oriented toward the international market. For the medium-size and small port cities to transform themselves gradually toward this direction, we can utilize foreign capital at the beginning to develop a definite number of general processing industries and industries that utilize local resources and that are oriented toward the domestic and foreign markets. At the same time, we should also actively attract or join with inland cities to set up factories or develop service facilities. For the large coastal cities, we should gradually transfer to inland cities those general products industries that use raw materials originating from the inland areas and whose products are sold to the inland areas while placing the main emphasis on the production of sophisticated, precision and pioneer products.

In summary, we should build harbors in medium-size and small port cities and satellite port cities (generally medium-size and small port cities have the conditions for building harbors) as the priority, taking into consideration the urgency of expanding the handling capability of the harbors and strengthening harbor construction, and the necessity of controlling the development of large coastal port cities and the already saturated use of the coastline within the city limits of large coastal port cities. Then we should combine the building of harbors with the development of special zones and economic development zones to establish an industrial system suited to their own characteristics to promote the transformation of harbors with singular characteristics into comprehensive harbors. This is a reliable way to improve the macroeconomic benefits of coastal harbor cities.

## CONSTRUCTION

### MANAGEMENT OF MOUTH OF ZHU JIANG DISCUSSED

Guangzhou NANFANG RIBAO in Chinese 6 Sep 84 p 2

[Article by Liu Zhaolun [0491 0340 0243]: "Dredging the Mouth of the Zhu Jiang and Developing the Lingding Sea"]

[Text] The Zhu Jiang [Pearl River] merges with three rivers upstream and eight outlets to the sea downstream. The eight outlets of the Zhu Jiang are at the last entry points of the Xi Jiang, the Bei Jiang and the Dong Jiang to the sea. The dredging of the eight outlets is essential to the unimpeded flow of the three rivers and to the prosperity of the delta area.

The eight outlets of the Zhu Jiang may be divided into eastern and western parts. In the west are Madaomen, Jitimen, Hutiaomen and Yamen and in the east are Humen, Jiaomen, Hongqili and Hengmen. Madaomen is the main outlet of the Xi Jiang, which is the main tributary of the Zhu Jiang to the sea. The volume of drainage at Madaomen is the largest among the eight outlets, accounting for one-fourth of the capacity of the Xi Jiang and the Bei Jiang. The sand banks are being developed at a rapid pace. The 200,000 mu of land on both sides of Madaomen is capable of being developed in the near future. Reclamation management plans have already been made to facilitate flood discharge, irrigation and drainage as well as navigation. The work of harnessing the river and developing its resources in the area north of Hezhou is being stepped up. The resources of the sand banks at Jitimen, Hutiaomen and Hezhou have been used to establish farms, villages and towns and to set up sugar refineries. Further developments are also being planned. Humen is the gate to the mouth of the Zhu Jiang. Connected to Shiziyang and Huangpu Harbor upstream and the Lingding Sea and Nanhai downstream, Humen is in the main channel linking Guangzhou, the main gate to South China, to various countries of the world. Together with Jiaomen, Hongqili and Hengmen, Humen discharges 60 percent of the flood water of the Zhu Jiang and 50 percent of its annual water flow. The Lingding Sea is normally known as the mouth of the Zhu Jiang. Four km wide where it reaches Hong Kong and Macao in the south. Shaped like a trumpet at the estuary, its water area extends some 2,100 square km. The water area of the Inner Lingding Sea is 1,041 square km within a line drawn from Chiwan in Shenzhen to the Inner Lingding Sea in the east and north of Qiaodao in Zhuhai City in the west. The shallow beaches are well developed. The Zhu Jiang discharges an average of over 3,000 tons

of silt a year via the four outlets in the east so that the sand bank extends 100 meters outward every year. This sand bank is being developed rapidly. The management and development of the Lingding Sea and the four outlets in the east have long been considered a matter of importance. However, in view of the vast expanse of water area, the lack of adequate preparatory work and the shortage of basic materials, a comprehensive and systematic program has yet to be formulated. Recently, however, there has been a rapid development in the situation. The management of the mouth of the Zhu Jiang and the Lingding Sea has been put on the agenda. The ideas of many experts are being used to solicit more expert opinions.

### I. Urgent Need for Dredging

The water course which extends from the mouth of the Zhu Jiang through the city has made Guangzhou a prosperous coastal port for over 2,000 years. It is the southern gate to the nation and the political, economic, cultural and communications center of South China. With the rapid development of the modernization construction projects for the implementation of the policy to open the door to foreign countries and to invigorate the economy, the depth of the water course and the harbor facilities have been found to be grossly inadequate to meet the needs. Since Liberation, the high-water mark has risen 40 m, thus adversely affecting production and life in the city. The water in the river is becoming more and more polluted (four "red tides" 3 km wide and 12 to 15 km long were found in the Lingding Sea in the early part of November 1981). The polluted water poses a threat not only to public health but also to production and construction projects. There is a lack of overall planning in the utilization of the river banks. Although there is often a divergence of views regarding the construction of factories, guesthouses and wharves, they are nevertheless being put up with little thought being given to the need for rapid overall development. All these are matters calling for a speedy solution. The prosperity and development of Guangzhou depend closely on the dredging of the water course. The proper solution of the four problems listed above will serve to promote to a large extent the prosperity of Guangzhou. Conversely, failure to tackle the problem in an adequate manner will hamper the development of the city and may even trigger the outbreak of a potential disaster.

The abrupt widening of the mouth of the Zhu Jiang at the Lingding Sea has led to a reduction in the speed of the water flow and in the height of the tides so that the accumulation of salt water has resulted in the formation of three sand banks and two troughs. The sand banks west of the Lingding Sea are well developed, as are the sand bars and alumina shallow beaches in the middle and the north to the south sand banks in the east. Two deep troughs have been formed in the middle of the three sand banks. The trough in the west forms the Lingding waterway which gives Guangzhou access to the sea. The trough in the east, the alumina waterway, offers the shortest route to Hong Kong. The eastern trough is likely to replace the western trough as Guangzhou's main channel to the sea in the future. The Lingding waterway is gradually getting narrower and shallower. In order to maintain the depth of the waterway, it is



necessary to dredge over 4.5 million cubic meters of silt every year. It is questionable whether the maintenance of the depth of the waterway will serve to reduce the accumulation of silt and whether further dredging will help to develop shipping. It is also necessary to reduce the amount of silt deposited in the alumina waterway in the eastern trough. All these problems have been put on the agenda. The sand bank in the middle of the three is still submerged in water while parts of the sand banks in the west and east have surfaced at low tide. The western sand bank rising 2 meters above the Zhu Jiang covers 275,000 mu (66,000 mu in the waterway between Humen and Jiaomen, 80,000 mu in the waterway between Jiaomen and Hongaili and 128,000 mu on the western edge of the Hengmen waterway). The eastern sand bank rising 2 meters above the Zhu Jiang covers 106,000 mu (28,000 mu on the northern edge above the Maozhou He and 78,000 mu from Maozhou He to the edge of Chiwan). Both the western and eastern sand banks are capable of being reclaimed and developed. There is an urgent need to develop such counties and cities as Panyu, Zhongshan, Zhuhai, Dongguan and Shenzhen and to make use of their resources to promote the four modernizations projects and to quadruple the total value of industrial and agricultural production each year. The development and construction of Humen Harbor, Chiwan Harbor, Mawan Harbor, Shenzhen Bay and Tangjia Bay and the construction of the power plant at Shajiao, a base for oilfields in the south, expressways and civilian airfields are closely related to the overall development and utilization of the sand banks. The consolidation and solution of these problems not only will serve to promote the reclamation of land for agriculture and the overall development of agriculture, industry and trade but will also create the necessary conditions for the construction of a base for the petroleum industry in the South China Sea, transportation facilities in the harbors and new cities and villages. How we may proceed with their development at a rapid pace and what favorable or unfavorable consequences may result from their development are pressing questions to which answers must be supplied without delay.

## II. Feasibility of Development

Whether it is feasible to dredge and develop the mouth of the Zhu Jiang and the Lingding Sea depends on whether it is warranted by technical and economic factors according to natural and economic laws. The most obvious question is whether the development of the western and eastern sand banks is scientifically justified and whether it is technically feasible. Another question is whether we have the development funds and the capability and whether or not it is profitable to do so.

Opinions differ on scientific and technical grounds. Some experts have evinced concern that the work of reclamation and development would hasten the atrophy of the Lingding Sea, adversely affect irrigation and drainage, raise the water level at Guangzhou, increase the damage caused by floods and turn the Lingding Sea into a river in a matter of a few years. These experts are in favor of "keeping and rescuing the Lingding Sea" and wasting no time in constructing two large floodgates at Sixianjias and Nanhua at the northern and middle parts of the delta to control the flood waters of the Xi Jiang,

to reduce the amount of silt carried by the Xi Jiang to Dongsimen and the Lingding Sea and thus to extend the life of the Lingding Sea. Many experts, however, are of the opinion that the mouth of the Zhu Jiang is the type of river mouth formed by river and tidal currents, that the Jiaomen, Hongqili and Hengmen are the outlets of the delta formed mostly by sand carried by the rivers and that Humen, is a trumpet-shaped river mouth formed chiefly by morning and evening tides. The planned reclamation and development of the western and eastern sand banks in conformance with natural laws would serve to channel the water and to promote the work of dredging at the river mouth, while failure to do so in good time would render chaotic the water system at the river mouth. The reclamation work done at random on both sides of the water channel at Hongqili, for instance, had led to a reduction in the discharge of flood water and the gradual narrowing of the water channel, resulting in the deposit of silt at Jiaomen through the lower Hengli and an increase in the discharge of silt in the Fuzhou channel at Jiaomen, thus jeopardizing the main channel from Guangzhou to the sea.

Commenting on the subject of dredging the mouth of the Zhu Jiang and developing the Lingding Sea, Mai Yunyu [7796 5686 3842], an expert of long standing, said, "We must seek to bring that about as soon as possible. Procrastination for the sake of temporary ease will bring untold troubles for generations to come. If we allow things to run their natural course and do nothing about it, we can rest assured that one fine morning, we will find Lingding Sea turned into 'the untamable Lingding river,' the dredging of which will become infinitely more difficult." Experts agree that we do not have to wait for technical and economic proof before deciding to proceed with the construction of floodgates at Sixianjiao and Nanhua. We should not let opportunity slip through our fingers in developing the four outlets in the east at the earliest possible date. The development funds which have been made available can also be used for the purpose of dredging the outlets. Even if the reclamation and development of all the 380,000 mu of land 2 meters above water in the western and eastern sand banks would reduce by one-fourth the 1,041 square km of water surface of the Lingding Sea, the reduced volume of water amounts to less than one-tenth of the entire volume of the 4.2 billion cubic meters of water of the Inner Lingding Sea. The development of the sand banks would serve to divert the silt to the southwest and reduce the deposit of silt in the Lingding and Fanshi channels. Furthermore, the development of the sand banks would preserve the trumpet-shaped river mouth, divert and increase the volume of the morning and evening tides at Humen and deepen the river trough without raising the water level at Guangzhou. In recent years, the experts at the Geographical Research Institute of the Chinese Academy of Sciences in Guangzhou have written a special treatise "The Formulation, Growth and Development of the Shallow Beaches at the Lingding Sea", which is a systematic study of the subject from the theoretical point of view.

The implementation of the policy set by the 3d Plenum of the 11th CPC Central Committee has resolved the problem concerning the funds needed for and the economic feasibility of the project. This policy has, first of all, cast off

the restraint imposed by the "leftist" principle of making food the linchpin and has thus made it possible to engage in overall development in line with local conditions. The planting of sugar cane, the development of sugar refineries, the breeding of marine products, the raising of poultry and livestock and the cultivation of cash crops in the reclaimed areas have proved to be extremely profitable. The Zhu Jiang Modaomen Comprehensive Development Co., Ltd., established on a cooperative basis by Zhuhai City and the Guangda Industrial Co. has not only received the endorsement of the state in the form of investment in the management of water conservancy in the river mouth in the development of Modaomen but has also been given preferential treatment by the State Council, the Ministry of Finance and the Guangdong provincial government in the form of exemptions from or reductions of income and unified industrial, commercial and agricultural taxes. The various loans contracted domestically and from abroad, which will soon be repaid, will help to generate profits. Further funds can also be obtained from new sources. With regard to the form of agricultural operations, the abolition of the "eating out of the same pot" policy in the farms and the adoption of the method of holding public biddings for work projects under contract have yielded notable results. When reclamation projects have created the necessary conditions for cultivation, the peasants can be counted on to vie with each other in submitting their bids for contracts. The fact that the investment of around 100 yuan per year in 1 mu of land is capable of bringing over 200 yuan in profits has served not only to promote the development of the economy but also to build family fortunes and sources of wealth. According to actual findings, the counties and cities with sand bank resources have all expressed the desire to speed up the work of reclamation and development.

### III. Cooperation in Tackling the Problem of Dredging and Development

When approval was given in 1979 for the establishment of the Zhu Jiang Conservation Committee in 1979, the State Council point out "the necessity of unifying planning and of engaging in the overall development and management of the entire river basin. This principle is equally applicable to the dredging and development inside and outside the mouth of the Zhu Jiang. The dredging and development of the mouth of the Zhu Jiang and the Lingding Sea must also be undertaken according to specific policies and principles.

While unified plans are being made for the overall development of the Guangzhou water channel inside the mouth of the Zhu Jiang, consideration must also be given to the problem of regulating the rivers and watercourses, navigation and development of the city, etc. The problem, extremely complicated as it is, involves many advantages and disadvantages directly affecting many units and departments. There is a divergence of opinion concerning the dredging program and its benefits especially with regard to the effect which the development and utilization of sand bank resources would have on the ecological balance, the watercourse, the channel, urban development and water resources and on the problem of satisfying the needs for the development of aquatic products, tourism and national defense. In order to engage in an overall study and to weigh the pros and cons of the problem better, the provincial and municipal governments

should strengthen their leadership, organize and share the work of tackling the problem and assume responsibility for getting the concerned experts together to take the lead in serious studies and discussions with a view to finding a solution to the problem. On the basis of the provisions of the State Council regarding the responsibilities of the organization to be established to manage the river basin, the main responsibility should naturally be assumed by the Zhu Jiang Conservation Committee of the Electric Power Industry Ministry. In April this year, the Zhu Jiang Conservation Committee submitted to the provincial and municipal governments "A Preliminary Program for Dredging the Watercourse Between Guangzhou and Humen." Should this program become a reality, Guangzhou will proceed with flood-prevention construction projects to ensure adequate protection and the Zhu Jiang will evolve from its natural state into a modernized version of its former self. The banks of the Zhu Jiang will have an additional 2.6-4 million square km of valuable land for construction purposes. By that time, "the bright lights on the river banks will seek to outshine each other, the jade belt that is the Zhu Jiang will take on an entirely new look" and the White Swan Guesthouse and oilfield center in South China will not stand in isolated splendor. Guangzhou will expand its construction projects eastward along the Zhu Jiang to attract foreign capital, to develop its industrial, commercial and tourist industries, to promote the accelerated economic development of the delta with Guangzhou as its center and to achieve its strategic objective of quadrupling its economic potential.

The unified program for the overall development of the mouth of the Zhu Jiang and the Lingding Sea should have as its point of emphasis the development of shipping in the port and the natural resources of the land. Reclamation should go hand in hand with flood discharge, development should be used to promote dredging and attention should be directed toward the preservation of the natural environment. Since this enormously complicated problem involves many departments and units, it is necessary that all those concerned should cooperate, give each other mutual support and pool their efforts in a concerted manner. At present, the work of surveying is being intensified by the Zhu Jiang Conservation Committee so that it may produce a new underwater topographical map drawn to the scale of 1:10,000, strengthen its hydrological survey work, analysis and research, coordinate and cooperate with the parties concerned and engage in a thoroughgoing study of the dredging project, including the distribution of silt in the four outlets in the east and the Lingding Sea and the pattern of its movement. Many departments, units, colleges and schools and research organizations have engaged in the study of the problem. Seminars should be held to promote additional studies. The Scientific Research Institute of the Zhu Jiang Conservation Committee, after having made a working model of the 7,000-square-meter river at Modaomen, will also produce a working model of the river in the area covering 7,000 square meters between Guangzhou and the mouth of the Zhu Jiang by the end of the year. A physical model gives people a sense of direct perception. The process of verification by using electronic computers and mathematical calculation will furnish a scientific basis for programming and planning. The Scientific Research Institute of the Zhu Jiang Conservation Committee, by engaging in various types of work at an accelerated pace, will produce at an early date a report on the program for

the dredging of the area inside and outside the mouth of the Zhu Jiang. After being approved, the program will be fully implemented. At present, some of the conditions are favorable for action. So long as the action we take does not adversely affect the situation as a whole, we should emancipate our minds and put forward in a practical and realistic manner and with due consideration to the overall situation some of the programs and designs which should first be put into practice once they have been approved. The entire program should then be perfected on the basis of the actual experiences gained through the work of dredging and development.

The opinions and concepts relating to the program of dredging and development of the area inside and outside the mouth of the Zhu Jiang are the products of the diligent efforts made by a large number of experts, cadres, workers and peasants in the last 30-odd years, especially since the 3d Plenum of the 11th CPC Central Committee. By putting our faith in science and the policy of the state and by tackling the problem in a coordinated manner, we shall be able to come up with a complete and overall problem, to translate it into action step by step and to turn our ideas into reality. That is a glorious undertaking of epic proportions. When the scientific ideal turns into reality, Guangzhou, the southern gate to the nation, will become more stable, civilized, prosperous and exquisite and will stand out as a resplendent pearl by the Zhu Jiang in the South China Sea. With the advanced development of shipping in the Lingding Sea, the deepwater harbor will be alive with large vessels so that "the Lingding Sea will no more be left standing alone." The banks of the Lingding Sea will witness a surge of economic, scientific and cultural development and present a beautiful and modernized tableau of new cities and villages where the people will become increasingly affluent.

9621

CSO: 4006/62

FOREIGN TRADE AND INVESTMENT

PURCHASE OF FEED PLANT, KNOW-HOW FROM DENMARK

Copenhagen BERLINGSKE TIDENDE in Danish 10 Jan 85 Sect III p 4

[Article by Olav Hergel]

[Text] The world's most populous nation has changed signals. China has given a green light to the surrounding capitalist world, and Western industries can now enter the Chinese market with their products. Various Chinese delegations within the agricultural and housing industries have visited Denmark over the past few years. This has given Danish businesses new, undreamed of export opportunities, and most recently, the firm Danochemo A/S of Ballerup has obtained an export order for 18 million kroner in construction.

The firm is to deliver know-how and a complete production plant for the Chinese feed industry. The plant will be constructed by Danochemo's engineering section, with use of Danish subcontractors, and it will then be assembled under Danish supervision at the site of an existing vitamin factory in a northern Shanghai suburb. The agreement also involves training of technical personnel from Shanghai at Danochemo's vitamin plant in Ballerup.

The first contract between the Chinese authorities and Danochemo was signed last spring, when the Danish firm received encouragement to present a tender for a vitamin plant. And in the course of 9 months, the contract was finalized. A number of large international firms were also involved in the competition for the order.

CSO: 3613/69

TRANSPORTATION

HAIKOU COMPLETES FIRST PHASE OF AIRPORT EXTENSION PROJECT

HK111008 Haikou Hainan Island Service in Mandarin 0400 GMT 11 Jan 85

[Text] The first-phase extension project of Haikou Airport runway was completed yesterday ahead of schedule, thus successfully accomplishing the first-phase construction work of pouring 42,000 cubic meters of concrete on a 2,500-meter-long runway surface. This has saved time for opening new air links to Haikou before the Spring Festival for Boeing 707 flights.

The Haikou Airport runway extension project was started on 10 November last year. It was a large-scale, urgent, important project demanding quality. In the course of construction, the National Planning Commission allocated funds for the project, and assigned to the lower level documents for the construction work. Comrade Lei Yu, responsible person of the district CPC committee and the district government, held an on-the-spot meeting for work supervisors and technicians, at which they studied the extension work.

From beginning to the end, the CPC committee of the construction department of the air unit stationed on the island included the extension project on its agenda. It resolutely grasped and supervised the work well, thereby ensuring smooth progress of the work.

Under the circumstances of involving many key points, many links in the development chain, and having great influence, both the military and civilian workers did their best and made concerted efforts to tackle tough problems. Consequently, they accomplished the Haikou Airport runway first-phase extension project with high speed, good quality, safe operation and low consumption.

CSO: 4006/281

## TRANSPORTATION

### TRANSPORT ASSOCIATION CHAIRMAN VIEWS PROBLEMS

OW121204 Beijing XINHUA in English 1142 GMT 12 Jan 85

[Text] Beijing, 12 January (XINHUA)--A Chinese transport expert has proposed to set up a national transport network to link and coordinate air, rail, road, water and pipelines transport.

Long distance haulage should be carried out by planes and trains, and short-distance haulage by trucks, said Guo Hongtao, president of the Chinese Transport and Communications Association, in an interview with reporters of the ECONOMIC DAILY.

The transport facilities of the 14 open coastal cities and the Yangtze River water system should be fully utilized, he said.

These measures, he said, will help ease the tension of transport resulting from the galloping development of commerce and tourism under the policies of opening to the world and invigorating the domestic economy.

Guo once served as vice-minister of railways.

Railways, highways, waterways, pipelines and air routes now total 1.3 million kilometers, eight times the 1949 figure when new China was founded.

Road construction has averaged 24,500 kilometers a year for the past 35 years, now coming to 920,000 kilometers.

In all, the government has given more than one-sixth of the capital construction investment--more than 100 billion yuan--in the past 35 years to communications.

Even though, he said, it is becoming increasingly difficult to travel in some places. Frequently one had to book a ticket for a long distance bus or a train ride 10 days or even 15 days in advance.

The waiting rooms at railway stations were filled almost to overflowing. And there were traffic snarl-ups in big cities such as Beijing and Shanghai.

He also proposed to raise rail haulage charges to provide the incentive for road transport.



Collectives and individuals should be encouraged to run transportation services.

Individual citizens, he said, should even be allowed to buy private planes or invest in air services, in addition to set up fleets and transport companies.

With everybody putting in a hand, the strained situation will gradually be improved, he said.

CSO: 4020/84

## TRANSPORTATION

### EXTRA TRAINS TO OPERATE DURING SPRING FESTIVAL

OW121120 Beijing XINHUA in English 0712 GMT 12 Jan 85

[Text] Beijing, 12 January (XINHUA)--An extra 413 trains will run everyday over the Spring Festival period to cater for an expected record number of passengers, railways Vice-Minister Shi Xiyu said today.

The Spring Festival, the big traditional Chinese holiday to celebrate the lunar new year, falls on 20 February this year.

But people will be returning to their home towns to see friends and attend family reunions from late January to the early March.

Normally, about 13,000 trains a day run on Chinese railways, but from 31 January until 11 March the extra 413 will be laid on.

They will carry on expected 133 million passengers--six million or 5 percent more than the same period of last year, averaging 3.35 million passengers a day.

Up to 3.75 million people could use the railways on peak days.

The additional trains include expresses from Beijing to Qingdao, Guangzhou, Harbin, Shenyang, Dandong, Suzhou, Jinan, Zhengzhou, Chengdu and Baotou, expresses between Shanghai and Guangzhou, between Changsha in Hunan Province and Chongqing in Sichuan Province, and between Zhengzhou in Henan Province and Urumqi, capital of Xinjiang. These will increase the railway transport capacity by 400,000 passengers a day, the vice-minister said.

Teams of workers will be on stand-by to sweep snow from lines to ensure a smooth timetable. More booking offices are being provided in a number of cities.

CSO: 4020/84

## TRANSPORTATION

### CONTINUOUS UPTURN IN SHIPBUILDING INDUSTRY

OW141203 Beijing XINHUA in English 1037 GMT 14 Jan 85

[Text] Beijing, 14 January (XINHUA correspondent Chen Ming)--Despite the worldwide depression in shipping transport and keen competition in the vessel market, China's shipbuilding industry kept an upturn in 1984, producing 291 vessels for foreign companies and domestic use totalling 690,000 tons.

Tonnage in 1984 was 30 percent more than in 1983, with output value and profits up 20 percent and 30 percent respectively, all setting records. China built 237 vessels with a combined tonnage of 530,000 in 1983.

China built last year 25 ships for ship owners in Singapore, Norway, Federal Germany and Hong Kong, totalling 170,000 tons.

Shanghai, the largest shipbuilding center in the country, manufactured 60 vessels totalling 334,000 tons last year--about half China's output.

Hu Chuanzhi, deputy general manager of the China State Shipbuilding Corporation, said in an exclusive interview with XINHUA: "1984 was the best year for China's shipbuilding industry in production." Four main factors were:

--Ships were larger. The shipbuilders completed 20 large ocean-going vessels with a combined tonnage of 440,000, including a 65,000-ton oil tanker, the largest China has ever built.

--New technology was adopted and ship quality improved. A 6,400-ton multi-purpose container ship and a r156 low-speed diesel engine won state gold medals.

--The variety of ships was increased. The industry manufactured 10 new types of ships and some energy-saving vessels, including a Chinese-made semi-submersible oil drilling rig.

--Economic responsibility system and rational organization speeded up shipbuilding. Some vessels were built and delivered in the same year and some are being built as quickly as in the economically advanced countries.

China now has over 500 shipyards of all sizes and 160 fitting plants. Most of its 14 building berths above the 10,000-ton class and 13 docks in the same range, are located mainly in Shanghai, Dalian, Tianjin, Guangzhou and Wuhan.

According to the corporation, the industry is now building 264 vessels with a combined tonnage exceeding one million, including a 60,000-ton oil tanker, all-container ships, roll-on and roll-off ships and multi-purpose vessels.

Hu Chuanzhi said China's shipbuilding industry still faced two major challenges: "Firstly, competition in the international ship market is getting sharper and has affected the domestic market, forcing down ship prices. Secondly, rises in raw materials and equipment will push costs higher."

Although the Chinese shipbuilders now have orders for some 1.5 million tons, he said, some shipyards are still underemployed.

The shipbuilding industry, he said, with a lot of large equipment, a strong welding and processing force and enterprises located in coastal regions, should contribute more to the national economy.

Shipbuilders should also diversify into other products such as open wagon for railway transport, large equipment for power stations, cement machinery and household appliances.

CSO: 4020/84

TRANSPORTATION

BRIEFS

TIANJIN PORT MONITORING SYSTEM--Tianjin, 20 Dec (XINHUA)--An all-weather closed-circuit television monitoring system was installed and put into operation at Tianjin's new port on 20 December. The system, being the first of its kind in China, has seven television cameras installed at different spots in the cargo-loading and unloading area. With this system, the operator in the control room can see from the screens what is going on in the area and direct the work remotely. The system can work under all weather conditions. [Summary] [Beijing XINHUA Domestic Service in Chinese 1637 GMT 20 Dec 84 OW]

ZHEJIANG'S NINGBO PORT INSPECTED--Braving the rain, Chen Pixian, member of the CPC Central Committee Secretariat and vice chairman of the NPC Standing Committee, inspected work at the Beilun Harbor in Ningbo on 3 January in the company of Zhang Xiufu, member of the provincial party committee standing committee, and (Ge Hongsheng), secretary of the Ningbo City Party Committee. Chen Pixian said: This is a very good harbor, a modernized harbor indeed. I am pleased to see the way it is built. When an official of the Ningbo Port reported on future development of the harbor, Chen Pixian said: The task in future is arduous. You must boldly and properly make use of foreign funds to build the harbor well. He added: Harbor construction should be placed above all other work in Ningbo because of its importance. You should set store by talented personnel who could be hired if necessary. This will ensure a promising future for Ningbo. He hoped that Ningbo will race against time, speed up its construction, and prefulfill the established plans with guaranteed quality and quantity so that Ningbo will always have a refreshing outlook. [Text] [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 4 Jan 85 OW]

TUMEN-SHENYANG-TIANJIN RAILWAY--With the approval of the Ministry of Railways, from 31 January 1985, the nonstop passenger express train between Tumen and Shenyang, Liaoning Province, will extend to the Tianjin railway station. Trains will run from opposite directions between Tumen and Tianjin every day. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 8 Jan 85 SK]

YUNNAN AUTONOMOUS PREFECTURE AIRPORT--Beginning this year, Xishuangbanna Dai Autonomous Prefecture in Yunnan Province will spend 3 years' time on building an airport where a medium-sized or a small passenger plane can take

off and land. The provincial people's government recently approved the written suggestion on building the Xishuangbanna airport. This airport will be located 7 kilometers to the southwest of Yunjinghong, the seat of the autonomous prefecture. The funds for the airport will be raised by the local government. This is the first aviation project in the country in which a national autonomy locality in a border area has embarked on raising funds. [Summary] [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 10 Jan 85 HK]

PORT CAPACITY, BERTH OPERATIONS EXPANDED--Nanning, 17 January (XINHUA)--China put 15 10,000-ton class berths into operation last year, according to a conference of the Ministry of Communications which closed here today. As a result, a total of 21.95 million tons of cargo handling capacity was added. Two 50,000-ton berths for coal transportation were added to Qinhuangdao Port in North China. [Text] [Beijing XINHUA in English 1646 GMT 17 Jan 85 OW]

SHIPS' REGISTERS INSPECTED--Hangzhou, 10 December (XINHUA)--All foreign drilling rigs, including those already inspected by authoritative foreign shipping registers, will have to undergo inspection by Chinese authorities before starting operations on China's continental shelf. The shipping register of the People's Republic of China announced this today at the closing session of a meeting which established a national information network for the work. The register is striving to become an "internationally authoritative" organization, deputy director Feng Xizhou said. Since 1980, he said, Chinese inspectors have taken part in inspections at 97 shipyards and other factories in 10 countries, including the United States, Britain, Japan and the Federal Republic of Germany. [Beijing XINHUA in English 1615 GMT 10 Dec 84 OW]

CARGO HANDLING CAPACITY EXPANDED--Guangzhou, 18 January (XINHUA)--The first section of a 10,000-ton wharf, the biggest in Guangzhou went into use yesterday, according to port officials here. The first phase of construction at the Lijiao Haixinsha has a 500-meter-long dock, 60,000 square meter piling field and two bridges. Previously, the biggest wharf in Guangzhou could accommodate only 5,000-ton vessels. The project will greatly increase the port's cargo handling capacity, the officials said. [Text] [Beijing XINHUA in English 1634 GMT 18 Jan 85 OW]

COMPUTERS FIND OCEAN ROUTES--Beijing, 19 January (XINHUA)--Chinese meteorologists are collating sea and weather data with ships' physical and mechanical properties to find safer, shorter ocean routes. The national Marine Environmental Forecasting center made nine tests last year on container ships and bulk carriers sailing the Zhenjiang-New Orleans (U.S.A.), Tianjin-Vancouver (Canada) and Tsuichi (Japan)-Holland (Alaska, U.S.A.) routes. All were successful, according to the Central Meteorological Bureau, which administers the center. The center recommended a Tianjin-Vancouver route for the Tianjin Ocean-Going Shipping Company's bulk carrier "Yingge Sea" last August to October. The ship was guided by meteorological data from the center and an American meteorological service company. The route was 1,100 nautical miles shorter than the conventional route, saving the ship 90 hours. It was almost identical with a route recommended by the same American company, the bureau said. [Text] [Beijing XINHUA in English 1237 GMT 19 Jan 85 OW]

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